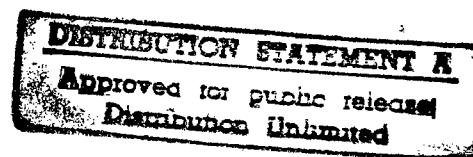


JPRS-EER-91-180  
17 DECEMBER 1991



# ***JPRS Report***



# **East Europe**

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# East Europe

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**Former Justice Minister Interviewed**

*92BA0149A Sofia DUMA in Bulgarian 30 Oct 91 p 4*

[Interview with Pencho Penev, former justice minister, by Vasil T. Vasilev; place and date not given: "During the Transition Between Two Governments: The Third Branch Is Changing Quietly but Wants Independence"—first paragraph is DUMA introduction]

[Text] Candidate of Law Pencho Penev, minister of justice, for DUMA. He is a career judge—from junior judge to deputy chairman of an okrug court. For seven years he was a department head at the Ministry of Justice, minister of foreign affairs, minister of justice, and deputy to the Grand National Assembly. At present, he is a member of the Constitutional Court of the Republic of Bulgaria.

[Vasilev] Mr. Penev, because we have been engrossed in politics and the economy, it seems we have paid little attention to the judicial system. Some substantial changes have taken place within it over a short period of time.

[Penev] Yes, that is so. The formation of the third branch has really started. Without that, it is impossible to apply the principle of separation of powers, which is fundamental for a rule-of-law state and for democracy in general. The adoption of the provisions of Chapter 6, "Judicial Branch," of the Constitution and the text of the Law for the Higher Judicial Council is an achievement of the judicial branch. In practice, we can now truly speak of a judicial branch that is separate and independent from the other branches. It will have an independent budget and its own higher body that will decide on its staff issues.

[Vasilev] We speak of a system, but actually we are referring to a few, and mostly hard-working, people—judges and court employees. Does the judicial system still have problems with its staff?

[Penev] I would not say that it does not. It is best to say that it is beginning to overcome them. When I became minister, at the beginning of February 1991, I found on my desk a big stack of resignation requests from judges. The main reason for that was the well-known nihilistic attitude of the totalitarian regime toward law and justice. The attitude toward the judge and his responsible work was degraded.

I do not wish to say that things are ideal now. There still is hesitation and insecurity, but I see them as reflexes from the past, which still has not disappeared. However, we must get rid of unprofessionalism decisively. That must be done when the Higher Judicial Council reviews staff for permanent positions. I hasten to add that it is not meant to serve as a "witch hunt." Professional criteria will be the deciding factors. I am pleased to note that the personnel drain from many regions has stopped. There are 20-30 lawyers with outstanding credentials

applying for each judge position in Sofia. It is characteristic that young people have "taken over" power. More than two-thirds of the new chairmen and deputy chairmen of okrug and rayon courts in the country are new.

[Vasilev] Has the self-esteem of the judge increased?

[Penev] I think so. His social prestige has increased. At this time, there is no normative act that provides for judicial control. It is stipulated for in the Constitution. Remuneration has improved, even though the independent budget of the system will solve that problem in the future. All illegally expropriated court buildings were returned to the ministry. We also received some presentable buildings that will be used for a number of courts and prosecutors' offices. The vacation resort base built by us is again ours. Now, with the independent budget and the establishment of various funds, the living and working conditions of judges, prosecutors, and examining magistrates must be improved.

[Vasilev] The work at the Ministry of Justice is related to the legislative process. What has been done in that respect?

[Penev] The Ministry of Justice participates, through its experts, in the workup of almost all acts of the Council of Ministers. In many cases, it implemented preventative control to ensure legality when acts from the various ministries and departments were introduced to the Council of Ministers. The Ministry played a leading role with its participation in the development of the chapter on judicial power of the Constitution, of the laws on the Higher Judicial Council, the Constitutional Court, and the bar. We developed the Council of Ministers' decree for the solution of some of the everyday problems of Bulgarian citizens who returned from Turkey, the regulation to return the property of individuals granted amnesty, the regulation on base prices of real estate, and others. We participated in the development of the Trade Law, the Law on Foreign Investment, the Law on Farm Lands and Land Use, the Competition Protection Law, the Law on Cooperatives, and others.

At this time, the Legislative Council of the Ministry of Justice is working on the new bills of the penal and the penal process code, the civil and the civil process code, and the structure of the judicial system. In short, the mechanism and the process legislation that will establish the judicial branch as an independent institution are being developed.

[Vasilev] At the beginning of 1990, prisons were transferred to the jurisdiction of the Ministry of Justice. What changes are found there?

[Penev] That transition is remembered because it was marked by prison unrest. A state public commission was set up with the participation of representatives of political forces and state institutions. With its help, a new manual for the application of the Law on Execution of Sentences, which is much more liberal and democratic,

was developed. A Prison Affairs fund has been established, through which we hope to improve prison facilities. We have closed hazardous and unhealthy work sites, even though it is difficult to find work during the economic crisis. Instead of being self-sufficient, prisons are now funded from the budget, as in all civilized countries. At this time, a bill is being drafted to change the Law on Execution of Sentence, which would confirm many of the things we have already done.

[Vasilev] Could you say a few words about your work at the Ministry of Foreign Affairs? You spent several restless months there.

[Penev] I did not become minister of foreign affairs because I wanted to but, rather, because of the situation. I was nominated with an ukase by the president shortly after the burning of the party headquarters. I will say only that I continued the reforms started by General Semerdzhiev, and I had some of my own opinions and projects, which I did not implement because of a lack of time. If we are to speak of some contribution, I think it is not allowing any bloodshed during the dramatic events at the end of last year. Of course, significant credit for this goes to the government of the time, to the prime minister and the political forces.

[Vasilev] Have we missed anything?

[Penev] Perhaps the active international activities developed by the Ministry of Justice. We met with experts from the Council on Europe, participated in the Demosthenes Program, sent our specialists to West European countries and the United States, and drafted agreements for legal aid.

[Vasilev] In conclusion, if you do not mind, there are several more personal questions. Which was the most memorable moment for you from a professional point of view?

[Penev] Being chairman of the first session of the first, in our history, Supreme Judicial Council, an idea to which I had dedicated my greatest efforts during my entire term as minister of justice and national representative.

[Vasilev] What do you wish for the system that you headed until recently?

[Penev] Security, independence, and professionalism.

[Vasilev] And for your colleagues?

[Penev] The same, plus health and prosperity. Also, that they not forget that they decide and will continue to decide people's fate. Society expects a great deal of them.

[Vasilev] And for the new minister?

[Penev] I sincerely wish him success!

**KGB Allegedly Involved in Slovak Politics**  
*92CH0168A Prague LIDOVE NOVINY in Czech  
4 Nov 91 pp 1, 8*

[Article by Jan Subert: "Slovak 'Operation X'"]

[Text] During the past weeks and days, every time one has looked at Slovakia, the picture of economic and political destabilization has emerged ever more distinctly. The number of various manifestations—veiled to a greater or lesser extent—is escalating, starting with nationalism connected with a power struggle, right through to the fear of entering an open Europe. This is multiplied by an undecipherable intertwining of internal and, apparently, also external interests and influences, leading to a number of theories in attempting to determine the truth about the actions on the Slovak political scene. We have tried to put together one of these theories after consulting several well-informed experts from our security services.

According to the view that we wrote about at the beginning of October in connection with the events in Kosice, the Slovak postrevolution scene has, from the very beginning, been the subject of an extensive intelligence game, which the KGB had prepared already in 1988 and launched immediately after 17 November. The aim is to make any cooperation between the former Soviet satellites—Czechoslovakia, Poland, and Hungary—impossible or, at the very least, to complicate it as much as possible and to create a chain of weak, quarreling states on the eastern border of Central Europe, which is in the process of transformation. Slovakia was not chosen by chance. Through Slovakia, it is possible to influence all three countries simultaneously, and thus it has a key role in the whole plan. Since still influential interest groups from the old structures of the former so-called socialist bloc are linked to this plan, the activities did not stop after the overthrow of the Moscow coup.

At first glance, this certainly seems like a rather wild plan. There is no direct proof and the reasons for the strange events—which always brought grist to the mill of those who wish to break up the federation—could be totally different. But is the outlined scenario really so unrealistic? A number of signs seem to indicate the opposite.

First, it would be naive to believe that an imperialist power that loses a strategically important colony would do nothing about the limitation of its influence over global political changes. The Soviet intelligence service—until recently a part of the now defunct KGB—has extensive experience with destabilization actions against political regimes. Under the guise of various active measures, it successfully expanded in the countries of the Third World and, what is especially important, in a number of them—for example, in Indonesia, Africa, and South America—it used the Czechoslovak intelligence service with great success. Another matter of note is the

recently published announcement that the former head of the KGB, Kryuchkov, was the main organizer of the anti-Gorbachev putsch.

Both the course and the nature of various campaigns, which always begin with disinformation, also point to the existence of the intelligence operation—we do not know its cover name, so we will call it "Operation X." It had also been proved that in Slovakia former members of the StB [State Security], compromised policemen, and members of the disbanded People's Militias are taking part in activities that either directly or covertly aim for the disintegration of the state.

The statements of the Federal Security and Information Service and the Federal Ministry of the Interior are also worthy of note, because, though the statements do not confirm the existence of Operation X, they do not unequivocally deny it, either. In fact, judging by the frequent meetings between Minister Logos and his colleagues in Hungary and Poland, one could even conclude that the FMV [Federal Ministry of the Interior] is launching specific countermeasures. Of course, we could ask to what extent the Polish and Hungarian approach to personnel in the intelligence and security services complicates this international measure. Both countries—in contrast to our country—have retained these services and have merely changed their orientation. However, there is no doubt that the interests of the participating parties are similar. This is confirmed by the results of the recent Warsaw meeting between the interior ministers of Poland, Hungary, and our country, which concluded with the agreement of all those present that reliable control over the intelligence services and close coordination of the subsequent course of action are mandatory. They stated unanimously that their personal meetings and frank discussions will continue to be the most effective protection against any attempt to make a joint strategy for entry into a democratic Europe impossible.

However, lately, there has been a growing suspicion that the attempt to create a destabilized eastern zone—represented by the striving for the declaration of an independent Slovakia—is, in its decisive phase, in keeping with a noteworthy aim of the Papal office that is independent of it but nevertheless in harmony with it. According to confidential information, the reliability of which we have not yet been able to ascertain, a plan was drawn up in the Vatican to gradually transfer the main pillars of conservative Catholicism from the "spoiled" West to the relatively virgin postcommunist countries. And Slovakia has been assigned a significant role in this plan. The frequent visits of Slovak politicians to the Vatican, their strange actions and statements—for example, the well-known refusal of liberalism—would then surely explain a lot. However, this would make the dividing line between the activities of the Vatican intelligence service and the "purely" destabilizing "Operation X" even more indistinct.

The key to the real truth about the influence of the Soviet intelligence service on the Slovak political scene—which

is more like the so-called active measures rather than an intelligence game—can be found in the agency that the KGB had in our country. However, one cannot expect it to be disclosed to the Czechoslovak offices—as the competent authorities in Moscow have already indicated. But the Soviet Union is not the only country with information about the KGB agency in Central Europe. The American CIA also has it, and the British MI-6 probably does, too. If, under certain circumstances and conditions, the CIA were to make a friendly gesture and break its silence in its contacts with our intelligence service, we would possibly get more than one surprise.

### Havel's Appeal to Voters Interpreted

*92CH0170A Prague LIDOVE NOVINY in Czech  
21 Nov 91 p 3*

[Article by Eva Martinkova: "From Lethargy to Disobedience and Back"]

[Text] The Civic Democratic Party told the Czechoslovak Press Office that it is disturbed by the form and content of the president's proposals, because his well-meant effort is said to be wrongly understood by part of the public as a call to civil disobedience, strikes, or even as minimizing the importance and legality of the elected legislative bodies. Even RUDE PRAVO, along with the right, is pointing out that such democracy from below is a highly tricky matter. The dramatic appeal is said to be unnecessarily bringing to a head a situation which deserves a patient search for democratic compromises. There are even those who say that Havel is ignoring the law.

What, then, has the thus far patient moderator of countless discussions on the state structure in fact committed? He did something on the order of instinctively striking the table at a moment when anything else would have had a hard time clearing the air. This striking of the table, however, was nothing but a call to his fellow citizens to demand that election promises be fulfilled. An appeal for responsibility on the part of deputies and criticism of political practices are not civil disobedience. It is a citizen's right, and it is a local peculiarity, probably stemming from an inherent or cultivated passivity of the local populace, that the head of state must remind the citizens of it.

Nevertheless, a number of parties, their representatives as well as deputies are feeling offended by Havel's appeal. They are angry that he did not consult them about it in advance, and in the lobbies they talk about the weakening of the parliament and the concentration of power. But they do not consider it good tactics to speak out sharply and resolutely against a popular president: Elections are at the door. It is easier to dwell on the fact that his appeal is problematic and causes concern about our fragile democracy. To point out the immaturity of the citizens, who will interpret the appeal in their own way and set out to storm the Bastille, invigorated by the joy that the educational process was by-passed.

But the president does not ask for a confrontation or fight with the parliament. As he is wont to do, he was betting on the better nature of the citizens, the parliaments, the politicians. He was betting on the hackneyed, but important cliche—common search for a solution. The citizens, it seems, understood. They do not live in a primitive commune which in tense moments conducts pogroms on sacrificial lambs. But the parliament feels offended and maybe also threatened—in his television address the president forgot to give it a little pat on the back even as he was finding fault with it. But citizens understood that as well. If the deputies read all the petitions and faxes, they know that words of appreciation are not lacking in them. People are not setting out to fight the parliament. They are out to support its real function.

Viewed this way, it is not that important how many of the president's proposals the parliament accepts, how many it modifies, how many it sends back. More important is what will happen when all the petitions are signed and on the town squares there will not be anything new to say. Will the so-called civil disobedience degenerate back into civil lethargy? Or will the parliaments and political parties have to confront the common sense of the voter, even though he will not be actually out in the street?

### Klaus Explains, Evaluates New Vetting Law

*92CH0169A Prague SOBOTNI TELEGRAF in Czech  
19 Nov 91 p 1*

[Guest commentary by Federal Finance Minister Vaclav Klaus, chairman of the Civic Democratic Party: "On the Vetting Law"]

[Text] I think it is downright scandalous the way the vetting law has been talked about lately. I can see many indications that it is getting to the point when many honest citizens of our country are getting upset by it. I do not blame them.

The law is being represented as an instrument of revenge, an instrument of collective retribution; cited are examples of people who were in the People's Militia for three days and are now becoming victims of this law; the notion is being advanced that membership in the People's Militias was on par with being a member of the volunteer firemen corps, surprise is expressed over the fact that it affects someone who has been a secretary of the CPCZ [Czechoslovak Communist Party] District Committee for ideology for a mere two years, etc.

Opponents of this law are even beginning to call it a law on being able to engage in one's profession, although its name fully reflects its true substance and meaning. It is a law which lays down some preconditions for holding some functions in government agencies and organizations. It applies only to the highest positions in the government, army, police, the Office of the President, etc.—that is, the highest named positions, and not to the ability to engage in one's profession! Whoever is a

lawyer, economist, teacher, etc., can continue to be a lawyer, economist, or teacher. He merely cannot be a minister, director of a state enterprise, or chancellor of a university.

I have not heard so much pharisaism as I do now when this law is being discussed.

I want to emphasize that this law is not directed at the past but at the future. If the law were to be a revenge or punishment, it would have been put in place immediately after the revolution. We called it a velvet revolution then, because we hoped that we would be able to close the door on the past. The next two years showed that it was not possible. It is becoming ever clearer to us that part of the new power elite is intermingling with the former communist power elite, and creating, together with it, a powerful politicoeconomic complex.

The managers of large, inefficient state enterprises, high officials of many government agencies, state media, police, etc., came to a tacit agreement with politicians of some parties and movements. They are trying to push through a version of social and economic reform that would not threaten their positions. The state media, unfortunately, are providing them with the necessary propaganda backdrop, which is to substitute for the support of the public, the support of the voters, that has been steadily diminishing.

Note that the same people who have been speaking out for the past 20 months against our economic reform and privatization, are now speaking out against the vetting law. That is no coincidence.

These attitudes are like a huge boulder obstructing the road to a democratic and economically efficient society. And that is the reason why the vetting law is so important precisely today: It would help to remove that boulder. And that is also the main reason why these people are so antagonistic to this law.

Today's hypocritical discussions about the vetting law nevertheless have one advantage. They enable us to see clearly who stands where, who really wants a thorough transformation of our society and our economy, who wants Czechoslovakia to quickly join the civilized European countries, and who, on the contrary, wants to drag us into new experiments conducted by the old, to us so well-known, experimentalists. Those, who have been trying it out on us for the past 42 years and who do not feel enough shame to voluntarily step aside in light of the disappearing public support.

We must not let ourselves be led astray by references to the Charter on Human Rights and other U.N. conventions. It is a manifestation of either ignorance or political demagoguery, because the question of guilt of presumption of innocence can be applied only in the area of penal law and has no place anywhere else.

If we do not want our country to be drawn into a catastrophic social and economic situation, we must

insist on the implementation of the vetting law. Any attempts to amend it, no matter how nobly conceived, would result in its abolishment—and the Civic Democratic Party has no intention of allowing that.

#### Pithart's Alleged Self-Criticism Denounced

92CH0168B Prague MLADA FRONTA DNES in Czech  
11 Nov 91 p 2

[Article by Ivana Vajnerova: "Czech Self-Flagellation"]

[Text] Whatever Prime Minister Petr Pithart was aiming to achieve through his televised statement to the Slovak citizens, he, in fact, showed the present irreconcilability of Czech and Slovak relations in a new light. In his attempt to express deference toward Slovakia, he, so to speak, had to (?) trample on Czech policies from their very beginnings. In attempting to acknowledge the "deception" of Slovaks during the First Republic, he admitted that the Czechs were deceptive. In attempting to express understanding for the Slovak desire for identity, he admitted "Czech depreciation" of Slovak needs. In attempting to extenuate information on the present situation in Slovakia, he spoke about the "inadequate knowledge of Czech journalists." All this occurred shortly before the meeting with Slovak representatives in Papiernicka, where the Slovaks are directing their ultimatum-like demands. It is not surprising that Ivan Carnogursky applauded the prime minister's attitude. At the same time, he magnanimously proclaimed that there was no need for "psychological self-flagellation" by the Czechs. This comparison is absolutely appropriate. Because the prime minister's statement had the aura of self-flagellation. It seems that feelings of an imaginary and demagogically motivated guilt toward Slovakia from the past, the fear of condemnation from the mouths of future generations, and the disintegration of the state were more important to Prime Minister Pithart than a responsible and dignified position toward present problems during this election period.

#### Slovak Deputy Evaluates Husak as Politician

92CH0171A Prague LIDOVE NOVINY in Slovak  
19 Nov 91 p 3

[Article by historian Jan Mlynarik, deputy in CSFR Federal Assembly: "A Man of Power Departed"]

[Text] When in the spring of 1969 the people in Plzen asked Dominik Tatarka what he thought about Gustav Husak, who just a few weeks ago had reached the apex of the CPCZ [Czechoslovak Communist Party] pyramid, Tatarka, born in the same year 1913 as Husak, replied succinctly: "Gustav Husak has power!" That was all, but indeed it was all that needed to be said about Husak to give a true picture of him. A man who was married to power, loved it, guarded it, was jealous of it—power as a lover, as a provider of glory and wealth. But on the contrary—I thought that day in Plzen—power has him, Husak.

It would not be far from the truth to say that if we were looking for our Machiavelli in the Slovak politics of the 20th century, we would definitely find him in Husak. His life, revolving with and around power, was full of paradoxes. From the loftiest goals to the prison cell. The range of his activities was extraordinary. Up to the very end. For example, his relationship to the church.

It was some time at the beginning of 1960 when, after nine years in prison, they released him. He used to meet with a handful of sympathizers. They talked about all sorts of things, including jokes. Gustav Husak contributed this story: "At home in Dubravka, where, as you know, I was born, the priest wanted to attract the young people and so he bought 11 sports outfits. I slapped him with a sentence of 11 years for that!" Dominik Tatarka was also present at the time, and as he subsequently told me, he was thunderstruck; a man, who sat out years in prison, is proud of having put somebody else, a priest at that, in prison. And now a Slovak archbishop gave the last rites to this programmatic atheist. I believe it was because of his pious sister rather than Husak himself.

Gustav Husak represented several eras in Slovak history. Their hopes, defeats, opportunism, and betrayals. He entered leftist politics like many European intellectuals of the thirties. But it was Husak's lifelong syndrome that he always tempered the ideas of internationalism by his Slovak nationalism, and in fact worked this distilled brew into something that was called by historians "red ludakism." That gave the internationalists a reason to put him in prison, but also gave the orthodox Slovak Communists a reason not to ever trust him. Not even when he offered Slovakia to Stalin in 1944. And they never did trust him. So why did he serve them with such devotion?

Husak's name is mostly connected with the Slovak uprising; he learned about its outbreak from the "white lady." He therefore was not "present at the creation," and so he all the more vigorously let the court historians portray him as the leading personality of this national upsurge. When in 1946 the Communists lost the elections in Slovakia, he agreed that for the sake of power Slovak national agencies should be curtailed. And six months before February 1948, he carried out a "Slovak February" in Slovakia.

Brezhnev could not have found a more reliable collaborator for his occupation force than Gustav Husak. At first Husak actually tried to consider tolerance, but the Bilaks and the Indras held a knife at his throat. And so Gustav served power—to the bitter end. Historians will never forgive him for the unprecedented humiliation. And not just the historians.

With Husak passed the era of totalitarianism, humiliation of man as well as nation, the era which he personified. Would that this were the final curtain on our unhappy past.

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Dr. Gustav Husak: Born 10 January 1913, graduated from the Law School of Komensky University, member of CPCZ from 1933 to 1990 (expelled twice—first time in the 1950's, the second time in February 1990). Arrested in 1951, sentenced in 1954, released in 1960. After that employed in Pozemni Stavby [Land Construction] Bratislava. Rehabilitated legally and as a citizen in 1963. First secretary of the CPCZ Central Committee (1969-71), secretary general of the CPCZ Central Committee (1971-87). Ph.D. thesis: *Svedectvi o Slovenskem narodnim povstani* [Testimony on the Slovak National Uprising] (1964).

#### **Historian Presents Rationale for Common State**

92CH0159A Bratislava KULTURNY ZIVOT in Slovak  
12 Nov 91 pp 1, 6

[Article by Dusan Kovac: "There are No Serious Arguments for an Independent Slovakia"]

[Text] At the meeting of representatives of Czech and Slovak political parties with the president of the republic in June 1991 in Kromeriz, Prokes, the chairman of the Slovak National Party [SNS] requested that before beginning concrete discussions on how to organize the relations between the Czech and the Slovak republics that the question be addressed of why the Czechs and Slovaks should live in a common state. At first glance this question is logical. If two peoples are to decide whether they want to live in the same country they should be aware of why they are doing so.

The question does however contain one fundamental logical error. It lacks an historical dimension. It would be a legitimate question if the Czechs and Slovaks were starting their history right now, if the current period represented year zero. Our ancestors could have posed this question to themselves some 70 years ago. And they did. And their answer was that a common state was the best decision for both the Czechs and the Slovaks.

Seventy years of existence for a small state, interrupted by the six year episode of World War II, is not a long tradition, to be sure, when compared with the ancient empires, but neither can it be wiped out at the wink of an eye. No one can claim that this state never existed, or that it does not exist now. From this perspective the logical and inevitable question regarding a common state should be put another way: "Why should this state be liquidated?"

Or, to put it more precisely, what justifications do the Slovaks have for leaving the state for which their ancestors fought so fiercely, for which they spilt their blood, and for which the representatives of Slovakia voted more than 70 years ago, with the clearest possible conscience and full sense of responsibility?

There must be serious reasons for such a step. State obligations are not a drunken promise that one can

forget about the next morning. They are a relatively complex web of economic, social, political, and international political relationships. The position of international society, mainly the superpowers, and especially the leading countries of the European community and the United States (and in the future one must assume a strengthened position for Russia), is critical for the creation and the disintegration of a state. It is not enough to declare an independent state. It is also necessary for the international community to recognize that state. And the international community now, as has been the case in the past, is not favorably inclined to change, especially of national boundaries. Such changes, after all, always mean the formation of new trouble spots. The major treaty powers in the years of the World War I tried to the very end to retain Austria-Hungary, despite the moral support they offered to the Czechoslovak foreign project. They were afraid that the disintegration of Austria-Hungary would create a region of conflict in this part of Europe. These fears were not unfounded, as future developments showed. When the treaty powers decided to give the green light to the disintegration of Austria-Hungary, the war was coming to a conclusion, the most conservative politicians had become convinced that Austria-Hungary had internally disintegrated anyway, that attempts to preserve it were futile, and that insistence on the status quo would actually lead to ongoing internal conflict. These were the serious reasons, serious arguments, that in the end led to the creation of Czechoslovakia.

One can observe a similar situation today. There is no doubt that independence for the Baltic republics is morally and politically justified. Their annexation to the USSR was an act of Stalinist violence, and the American president announced on numerous occasions that the United States did not recognize the annexation. And indeed the entire world delayed recognition, until a failed putsch by some apparatchiks created a new situation. Similarly in Yugoslavia, a bloody war has forced politicians to seriously consider the recognition of an independent Slovenia and Croatia.

It is true that the world community, when confronted with serious arguments, will finally accept a new state. Having talked about the outlook of the world community, I must say that I do not share the view that the world community would not recognize an independent Slovak state. I do think that the world community (used always in the sense of the decisive political forces in the world) is not favorably inclined to such a decision. If Slovakia were to have serious reasons to take such a step, or if a crisis situation were to develop here, international recognition would follow, but without enthusiasm. This is how international politics works. But if Slovakia as currently constituted were to take this step without really serious reasons recognized as such by world society then despite diplomatic recognition, the international prestige of Slovakia would be hurt significantly. The creation of an international crisis in a sensitive area such as Central Europe can have unforeseeable consequences.

It is also a dangerous illusion to think that the division of Czechoslovakia is possible without creating a serious international crisis. To claim otherwise one would have to be a dilettante in either politics or economics.

Despite all this, the formation of an independent Slovakia is possible. And international recognition for it is also possible. The key question, however, is the question that Mr. Prokes stood on its head, namely: What serious reasons does Slovakia have for declaring itself independent? If the reasons are serious, have been thoroughly discussed, and if they are felt to be serious by a majority of the inhabitants of Slovakia, then such a risky undertaking makes sense, just as the creation of Czechoslovakia in 1918 made sense.

To the question of why Slovakia should become independent none of the passionate advocates of independence have yet come up with a serious reason. The slogan, We Will Govern Ourselves!, that is appearing on the streets is only a shout in the dark. It says nothing about why the inhabitants could not govern themselves within the CSFR, or about how they are to govern themselves in an integrated Europe.

The most serious argument put forward in this discussion is the historical argument. This argument contends that world development is such that peoples gradually develop and mature, and that the pinnacle of this development is the creation of a nation state. This argument is even advanced by those posing as serious historians, but is in fact nothing more than dogma, not too far from the Marxist dogma that world development is moving towards a classless society. Just as this Marxist dogma, based on partial information about world history, was used by skillful deceivers to deceive a part of the public, so too are the nationalist deceivers finding success with their dogma with part of the general public. This despite the fact that their dogma asserting the direction of world development to the formation of nation states is founded on a very weak knowledge of world history. Only two states, Germany and Italy, have formed themselves into national entities this way, namely by the gradual maturing of national societies into state units. One can see a similar process at work in the formation of Norway by bending the concept significantly. In other instances the process proceeded in exactly the opposite direction. States were formed on territorial principles and peoples then formed within these territorial boundaries. Their formation differed from case to case, definitely not according to a single model. And no similar process can be noticed anywhere outside of Europe.

The argument that there is a natural evolution of a people towards national independence, then, has absolutely no foundation. Despite this fact it is frequently successful with the public because it does not address the intellect, but rather the subconscious.

There is something irrational in it. Who would not be inclined to believe in fated developments, especially if that person is dissatisfied with the current state of

affairs? Those who are dissatisfied demand changes and blindly believe that anything different from what currently exists must be better. This is the illusion of all revolutions and overthrows. It is inevitable that those who blindly followed their leaders send those leaders to the guillotine after the changes occur. Irrational fanaticism usually turns against its instigators.

Discussion of the future of the CSFR always includes the question of the state and its function in the contemporary world. Usually it is noted how the function of the state is weakening. This process can be noted to some extent in West Europe where, as a result of integration processes, the function of the state and state borders is weakening, but not being completely eliminated. Despite this integration, the nations are remaining independent, and far from only symbolically. In the area of Central Europe the preconditions do not yet exist for the elimination of the state. On the contrary, in the initial period after the failure of the totalitarian system, the function of the state will be even more important. This is related to the elimination of the sphere of influence of the USSR in this part of Europe. The problems that this causes cannot be resolved any other way than within the context of a state and the precise definition of relationships between individual states. A Europe of regions remains only a utopia. The formation of a civil society is a gradual process, the first phase of which must inevitably take place within independent states.

The main function of the state is to protect and develop conditions for the full development of its citizens. Under the new conditions, the nation state must fight for its citizens. Its power ceases to be absolute and given "from above." The state can exist happily only when its citizens accept it. A consolidated state is at the same time a state that needs and supports a vast majority of citizens regardless of their nationality or religious belief. A democratic state must therefore offer rights to its minorities. It must strive to create a situation in which its minorities need it and accept it. Minority rights are a direct criterion of the democratic nature of a state.

It must be stated that there are no nation states in our area. The national state is pure fiction. At the time of the breakup of Austria-Hungary there was talk of disintegration into "national states," which did not correspond to reality. None of the new states were nation states. Not even today is it possible to organize the world on this principle. National minorities cannot be excluded from participation in the formation of a national life without the danger of internal and international conflicts arising. Once we accept the state as a political entity that currently and for the foreseeable future will continue to perform its full functions, we must admit that larger national units have better conditions for existence than smaller entities. The disintegration of Austria-Hungary was not a happy decision. It was, however, an inevitable decision. Austria-Hungary could be sustained no longer, and for a long time there was no success in replacing it with a Central European federation.

There is no point to a general discussion about the advantages of a larger national entity. The question can be raised only in a concrete instance. When a crisis develops in a country of such proportion that the existence of the country has no purpose for either its peoples or its citizens, then the existence of a consolidated smaller nation is preferable to a larger national entity that is full of conflict. In the specific case of Czechoslovakia, the fundamental question for the Slovaks (because on the Czech side this question does not exist in such an intense form) is whether Czechoslovakia, as an internationally recognized and undoubtedly successful state in international terms, provides Slovaks adequate opportunity for national development, or sufficiently respects national needs, and whether therefore Slovaks in this nation that we created together, can continue to develop. Advocates of an independent Slovakia have so far not put forth any serious argument showing that this state no longer holds any value for Slovaks and that we need to secede, as we did from Hungary in 1918. To draw a parallel between the current situation and 1918, in the years of World War I, Slovak politicians had really serious reasons for leaving Hungary and articulated these reasons. Hungary had turned into a state governed by Hungarians, which used its government machinery to violently Hungarianize the intelligentsia and middle classes of other nations and nationalities. Hungarian lords, in their efforts to assert a Hungary with a single nationality, decreed that there was no Slovak nation in Hungary. This was a truly serious reason for leaving Hungary, because it involved the existence of the nation. Slovak representatives therefore, after due consideration, decided to join in a common state with the Czechs.

There is almost no comparison between the current situation and the situation in 1918.

Unfortunately, it is also almost impossible to compare current politicians with the politicians of that time. Anyone who was a Slovak politician in 1918, a national advocate, was a person who had given up any chance of a career for his nationalist convictions, and had resigned from any higher bureaucratic or church positions that he may have held. He had sacrificed himself to the service of his suppressed nation. The role required, in other words, a large dose of idealism and high moral qualities. Such a collection of men could on the whole dispassionately and based on their own convictions make decisions about the fate of the nation. The assumption was that any decision taken had to represent the greatest good for the greatest number and for the nation. Today, unfortunately, the situation is completely different. The true national ideal has become for many a front behind which they hide, not too intelligently, their personal ambitions.

The fact that so far there have been no serious, internationally accepted objections posed to the current Czechoslovakia, and therefore to the coexistence of Czechs, Slovaks, and other peoples in one state does not mean that everything is well within that state. A state in which two peoples dominate numerous other peoples

always has one potential disadvantage. There is always the danger that once something does not work within this state and mainly, once its economy ceases to function, the poorly functioning economic, political, and social mechanism can transform into nationalist conflicts. On the other hand, the greater opportunity and constant competition between the two peoples can act as a stimulus to overcome stagnation.

In 1918 a common state was the optimal resolution of the Czech and Slovak issue.

Both peoples voted freely for this solution and both fought for this nation. At the same time, both peoples entered the state with different historical experiences, with different levels of economic and cultural development, and with different conceptions of a common state. When the state was being created, however, these questions were not fundamental. The very process of creating the state was so complex, and there were so many obstacles to overcome that the politicians of that time concentrated on the main goal, on the formation of a state and its international acceptance and recognition. Everything else seemed simple and easily resolved. It was the common self-deception of revolutionaries.

For the Czech people, this Czechoslovak nationhood was actually an expansion, a transformation of traditional Czech nationhood. Czech society accepted this new nationhood from the start almost universally as its own. It was really the implementation of the Czech national constitutional program, but in an improved form. The acceptance of this form of nationhood by Czech society was that much simpler because it created a certain counterweight to the numerous German minority in the Czech territories. The Czech citizen adopted his own Czechoslovak identity, identified with it and suppressed within himself his Czech identity, but did not view this as a violent process. From the first the Czechoslovak state was for him an unhyphenated state.

Slovakia entered the common state with a completely different conception of common nationhood. For most Slovaks the common state was an act of mutual agreement between two parties. It bore no relationship to an extension of a national constitutional program. For Slovakia it was a revolution in the true sense of the term. From Hungarian nationhood to Czechoslovak nationhood was a change much more revolutionary than that which happened to Czech society. The Slovak political program had traditionally been autonomous and federalist. Slovaks therefore demanded for themselves a certain amount of political and cultural self-administration within the framework of a larger entity. For tactical reasons, at the creation of the Czechoslovak republic, they forewent demands for immediate autonomy, but gradually this traditional program became predominant in Slovakia. The Slovak attitude to the new common state was, in other words, completely different. Slovaks always viewed this state as a hyphenated one, as the unification of two wholes. This is why current attempts

at any kind of renovation of a unitary state cannot win any serious allies in Slovakia.

There, somewhere, in the different historical development, are the roots of the current problems.

And there are more than a few of these. In Slovakia it is continually felt, especially in economics, that Slovak specifics are never taken fully into account and that the overall economy tends to be viewed through the eyes of Prague. It is clear that a reform phase must be conducted at an even pace and according to a uniform basic model. There is a danger, though, that this will lead to economic policy principles similar to those that have gone before. Czech nationalism is as much a problem for the common state as Slovak nationalism. Czech nationalism, however, does not manifest itself externally, like Slovak nationalism. On the contrary Czech nationalism declares about itself that it does not exist.

In Slovakia, however, the public feels very keenly all unqualified attacks in the Czech press and how certain Czech journalists are trying to turn world opinion against Slovakia. Extreme nationalism does not have broad support currently in Slovakia, but this may increase in reaction to the intensity of the uninformed anti-Slovak attacks in the Czech press. Those in Slovakia who continually follow this anti-Czechoslovak campaign are making sure that Slovak citizens learn about it.

Both sides have many prejudices that have a negative impact on mutual relations. These prejudices for the most part come from a lack of mutual understanding. For example, knowledge of Slovakia in Czech areas is very poor. On some issue one may even speak of ignorance. The historical development of Slovakia is even for some experts hidden behind a wall of myths and false interpretations. It is true that Slovakia is not adequately represented in some federal matters. This is true, for example, in the foreign service. Contacts with the world come to Czechoslovakia mainly through Prague. And all of them stop in Prague. There are, though, other problems. These must be discussed concretely, without excessive emotions.

But not one of these problems cannot be resolved within a common state. Those who advocate an independent Slovakia have not yet refuted this contention. One can therefore assume that no arguments exist. All indications are that for a majority of those in Slovakia a common Czechoslovak state still has a positive value that they do not want to forego. This state must however be one that will defend Slovak national interests to a greater extent than to date. Once this becomes a fact the last feeble argument of those adventurers who would take Slovakia down a risky path are eliminated.

Slovakia has a right to national independence. But it also has the right and responsibility to choose the best solution. An independent Slovakia is possible. But most Slovaks will accept it as a serious political program when the call to the program is supported by serious, specific, rational, and not irrational reasons. The world will

recognize an independent Slovak state, but only when it is clear that basic Slovak problems cannot be resolved within the current national framework. If independence occurs only as a poorly thought out adventure by some politicians, Slovakia will lose a large amount of its prestige in the eyes of the world. Slovakia cannot be only for itself. Given its location it will always react sensitively to the international situation. We cannot be indifferent to what the world thinks of us and how it perceives us.

An independent Slovakia is one possible solution to the current political situation. However, those who assert that it is a simple decision and that an independent Slovakia will immediately resolve all Slovakia's problems with a wave of a magic wand, are false prophets. If Slovakia comes to believe in this miraculous prescription it might well be sacrificed in the crisis that would result in Central Europe.

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With this article by Dusan Kovac, KULTURNY ZIVOT continues to publish the views of historians, sociologists, economists, political scientists, lawyers that have grown out of a request by the Ministry of International relations of the Slovak Republic.

Ideas about the constitutional status of Slovakia and the coexistence of the Czechs and Slovaks have to date been formed and developed by politicians. Their views of a difficult problem are defined mainly by pragmatic power ambitions and party interests, which often make these views narrow-minded and simplified. The public feels that independent experts should also be allowed to contribute to these discussions, so that it can form a clearer picture of the intertwined economic, historical, geopolitical, and cultural context. Minister Pavol Demes therefore contacted some 20 experts in these fields and asked them to write about the advantages and problems brought on by the coexistence of Czechs and Slovaks. Even though some authors have departed from the assigned topic, we think that their articles contribute new contexts and facts to the discussion, as well as a serious tone and means of discourse.

### Czech Skinheads, Other Youth Groups Characterized

92CH0160A Prague REPORTER in Czech  
20 Nov 91 p 22

[Article by Josef Humpal: "When Are You Going After Them?"]

[Text] The words of the title are asked occasionally by young men in overalls when the bald youngsters come into the tavern in their heavy combat boots. Some of the "Dads" soon after magnanimously buy the skinheads a round of beers. The "them" is understood to be Gypsies or Vietnamese.

It is well known that racism is more or less entrenched everywhere in the world. It has its greatest success in countries that are economically and politically unstable. This however does not mean that it is absent in countries with a high standard of living. The so-called skinheads are far from the only racists. The skinheads are just the most visible because of their open aggressiveness. They are actually only the tip of the iceberg.

"The Czech skins have to be a kind of roving police force to frighten the criminals and black marketeers. We have to get ourselves together, create some order, be proud that we are Czechs...." This was the gist of a speech made by 30-year old Vladimir Franz, one of the founders of an organization called the New Czech Unity to younger, bald-headed comrades more than a year ago at a concert of the rock group, Orlik. On this occasion he also allegedly called upon the skinheads to select the most capable of their members to take part in summer exercises with armed elements...

The next day in Prague saw the first large pogrom against Gypsies and Vietnamese. Beginning on this infamous day in May, Czechoslovak society also began to devote more attention to this violent teenage movement.

### "Czech Blood Flows in Our Veins, Czech Beer Flows in Our Veins"

The founders of the New Czech Unity are the above mentioned doctor of laws, Vladimir Franz, and the leader of the Orlik group, Daniel Landa. The organization is made up of superpatriotic "sons of the chalice" whose symbol is the Hussite chalice in a circle. They are on the record as wanting to have nothing to do with fascism and Nazism. They have their own "clean slate" which hides nothing other than racism and violence.

Another group is the so-called Faschos, from the National Fascist Society, whose adherents congregate at the Na Belce and U Jirasku taverns in Prague. Certain information suggests that Faschos is related to the First Republic party of general Gajda and the League Against Obligated Candidates led by the publishing magnate Stribrny. They can be distinguished from others by their red belts with a cross in a circle on the right shoulder.

There appear to be relatively fewer of the so-called Nazis, who wear belts with the German iron cross. They do not come from the frequently strongly anti-German Czech fascist tradition. They pay homage mainly to Nazism, even though they claim not to know much about its new ideology. They walk around armed with slingshots and steel balls which they are not afraid to use. To a much greater degree than Faschos they have an anti-Jewish bent.

In addition to the "ultralight" groups, which view the reason for the current disorder in a weakling democracy, there are also ultraleftist skinheads. As with other anarchists, they are convinced that what our society lacks is a "government of the people." I do not know whether they

are familiar with Qadhafi's Green Book, but nevertheless they argue for the necessity of socialist self-administration and direct democracy. Red skins do not appear to be as aggressive as the Faschos and Nazis. They make up unofficial organizations, such as Revolutionary Cells, the radical Democratic Autonomous Group, and Skinheads Against Racial Prejudice.

"Brown" skinheads are comprised mainly of apprentices and working class young people. The "red" skinheads are made up mainly of students. Young women are almost nonexistent in the ranks of the "rightist" radical young people. They are said to make up more than a third of the "leftists," however.

Skinheads can be distinguished from punks and anarchists relatively easily. The only common distinguishing characteristic of these youth groups is heavy combat boots. A skinhead's appearance is, one might say, sober: a completely shaved head, a "bomber"—a waist length, mostly green silk jacket styled after the flight jackets of American bomber pilots—jeans or camouflage fatigues rolled up above the boots, and a T-shirt with suspenders or a hooded T-shirt. The especially aggressive groups go into battle masked, with the indispensable club or baseball bat in hand.

One can get an idea of the skinhead mentality from some of their statements made to journalists.

"How many of us are there in Prague? About a liter (1,000) of bald ones. Of these maybe eight or ten are true skins, having done it for six or seven years."

"How are we different? I'll give you an example. If we are fighting with some Gypsies and some white person comes to help them we beat him up, too, so he will realize what a foolish thing he is up to. The chalice boys would try to explain it to him. On these matters there is nothing to explain."

"After all, a skin can't come up to a colored person and ask if they have mugged someone. So we beat them preventively."

"If the government isn't capable of doing anything, they shouldn't be surprised that the skins are taking matters into their own hands."

"If someone shouts at a concert, 'Heil Hitler,' that's dumb. 'Sieg heil,' though, that's something else, that's an international greeting..."

"We don't like Havel any more either. He never should have proclaimed that amnesty. Moreover, he is a Mason; he wears short pants."

#### **Commentator Rejects Nationality Assumptions**

92CH0171B Prague LIDOVE NOVINY in Slovak  
19 Nov 91 p 3

[Article by Stefan Hrib: "A Colossal Fraud"]

[Text] "A broadly based emancipation process is under way in Slovakia." "The Slovak nation is maturing, and is

naturally demanding its inalienable rights." "Today's federation does not suit Slovakia." "Slovakia needs independence."

These, and many other more or less suggestively presented "truths" have flooded the country below the Tatra Mountains. To observe the mechanism by which this "truth" is created and under what circumstances it keeps gaining more new personalities as its fervent disseminators, is sad but also very educational.

At the beginning, shortly after November 1989, the nationalists were a small handful of untrustworthy eccentrics recognized by nobody. The word was that they were communists and State Security members, looking for new opportunities. They entered into public consciousness only gradually. At first as an object of jokes because of their untraditionally primitive discourse (Jakes' speeches have long been forgotten), and as time went on, also their nationalistic-altruistic activities. The best known of these was the hunger strike "For Our Slovak Language," during which, however, many participants were found guilty of a characteristically embarrassing secret consumption of food.

Later, sensing an unexpected opportunity to make headway without any effort by using the magic word "nation," more and more new movements and parties were formed, led by peculiar personalities. A third-rate nightclub singer, Panis, or the totalitarian host of the program "Federal Criminal Central Investigates," Major Veselovsky, are vivid illustrations.

This "emancipation process" grew stronger day by day. It was joined by Meciar, who was thrown out of the government because of his inability to cooperate; it was joined by the defeated communists from the Party of the Democratic Left [SDL], and an entire wing of the Christian Democratic Movement [KDH] which sensed the inferior status of their leader resulting from his incompetence. To this were gradually added large groups of outright collaborators threatened by the screenings (those sundry "economists"), people of the ML blood type (Marxist-Leninist), before whose eyes the Bolshevik fata morgana has been hopelessly disappearing with the advancing "Czech" reform. The common denominator of them all is obvious—breaking away from the Czech Republic will mean that incompetence or a dark past will not be an obstacle.

All that is understandable. Egotism, concealed under lofty ideals, is eternal. But the fact that many Czech politicians have not seen through this transparent manipulation, begs a question. Lately even some of the renowned journalists have added their strong voices to them. More and more articles (RESPEKT, LIDOVE NOVINY, PRITOMNOST) are discussing the Slovak question in a way that throws the ball up to the simpletons wrapped in a Slovak flag for their final smash (in their case, more of an onslaught). With all seriousness

differences between the two nations are being discovered, different roots, different historicity, religious differences. The sum of these discoveries leads to the perception that a parting of the ways is necessary, natural, even welcome by both sides. It seems like a bad dream, because all this argumentation is based on the very national principle which otherwise the Czechs unequivocally (and correctly) reject.

Increasingly, Slovak citizens who have remained "only" citizens think of this as a betrayal. Paradoxically, they read with sadness every new report about the "Czech understanding" of the Slovak needs, or all those pseudoarguments against conducting a referendum, which has been, and still is, understood as the only effective instrument for showing the real will of the Slovak citizenry. Proof of the alarm over the future appearance of the state formed by the "broad emancipation process" is the reappearance of the emigration phenomenon that is being discussed on Slovak streets every day. A Czech politician is afraid for pragmatic reasons to call things by their real name, and when it is then done by a Slovak politician (Stryko, Baksay), the fact that he is suspiciously alone in this only provides the nationalists with another argument about the toadyism of the federal Slovaks.

In this situation, Petr Pithart invented two semidetached homes. Petr Prihoda went even further and urges the support of those Slovaks who want a Slovak state that belongs to Europe. But obviously without realizing it, he calls for the betrayal of those Slovaks who have been living in that mythical Europe without any great fuss for a very long time. Paradoxically, they will have to emigrate there once again.

In the future, the entire Slovak question will obviously become a proper subject for historians' doctoral dissertations. Dissertations about a colossal fraud, perpetrated by colossal dilettantes, which in spite of that succeeded on a colossal scale....

#### **Exiled Writer Views Contemporary Political Scene**

*92CH0167A Prague LIDOVE NOVINY in Czech*  
5 Nov 91 pp 1, 8

[Interview with Ladislav Mnacko, Slovak novelist and publicist living in Vienna, by Zdenek A. Tichy; place and date not given: "Two Fears, One Guilt"—first paragraph is LIDOVE NOVINY introduction]

[Text] Ladislav Mnacko is known primarily as the author of *Opozdene reportaze* [Belated Reports], *Smrt si rika Engelchen* [Death Goes Under the Name of Little Angel], and *Jak chutna moc* [The Taste of Power]. In 1967, as a protest against the anti-Semitic policies of the Communist Party, he went to Israel, his citizenship was revoked, and he was expelled from the party. During the following year he was rehabilitated by the government, but after the August occupation Mnacko left Czechoslovakia again and settled in Austria.

[Tichy] Recently the novel, *Jak chutna moc*, was republished in Slovak and in Czech, but, so far, we have hardly seen any of the works you wrote abroad. Are you trying to inhibit publication in Czechoslovakia—as is rumored—or are you opposed to it altogether?

[Mnacko] I am not opposed to it but, so far, interest has mostly been for older works. Apart from that, I wanted to see to what extent books published before 1968 still have something to say. Abroad I wrote literature that is critical of society—as I have all my life: novels, short stories, satires.... Naturally, I received different stimuli from society but I always tried to stand behind the man in need. That was also the reason why I joined the Communist Party—when it was beaten. In addition, I believe that, at this time, it is necessary primarily to publish books elucidating the last 40 years of our lives. I said to myself: I will wait two or three years until the market stabilizes and until the main role of factual and publicistic literature has been fulfilled. Because, unless we come to terms with the past, we will not be able to move forward. At this time no one wants to probe old scars and open old wounds. It is a similar situation to the one in which Germany found itself at the end of the war—no one wants to know anything, no one wants to talk about anything, and everything is to be suppressed....

[Tichy] As an author who was interested in politics and who, in turn, was of interest to politics, I am sure that you are watching the present political struggle in Czechoslovakia. What are your feelings about it?

[Mnacko] The political issues in Czechoslovakia will become normal once there is competition between the liberally to rightist oriented political powers and a purposeful, effective left wing, which will be necessary as a counterbalance, for instance, to Mr. Klaus's policies. The left wing will probably come into being spontaneously, from the bottom; we do not yet know who will create it or what forces will appear in it. For the time being, the working class is very passive and unsure of itself. But the social conditions that are coming will mobilize it. I have been telling this to Slovak separatists for some time: Wait for another year and a day. At that time the town squares will be filled with different people and they will be proclaiming different slogans—and you will no longer exist.

People are now suffering from two major fears—the old, all-encompassing fear is still in their blood, and a new, existential fear has now appeared—what will happen to me tomorrow, how will I support my family in two months' time? And this is an obstacle to any labor or political activity, to any initiative.

[Tichy] Is it possible to influence this situation in any way?

[Mnacko] Take a look at Vaclav Havel who always states everything frankly and clearly but has only had "microscopic" successes in doing so. We dug down to the bottom of the muddy water, the mire and gases floated to

the top, and now we mainly smell the stench. It is impossible to get rid of moral insanity overnight.

[Tichy] You mentioned the left wing—in 1946 the communists lost the election in Slovakia but today they hold powerful positions. What caused such a change?

[Mnacko] During the war, I was in a partisan group that guided Soviet units through passes in the Carpathians. When we arrived at the Slovak-Moravian border, the Soviet officer ordered the soldiers to form ranks and said: "We are now entering a country that is friendly toward us, and that did not wage war against us; as of now any plundering or rape will be punished by death." In Slovakia, which did wage war against the Soviet Union, the Soviet soldiers committed pretty brutal acts. This alienated many Slovaks from communists whom they had awaited as liberators. However, in Slovakia—in contrast to Bohemia and Moravia—the Communist Party vetted itself, and I think it did so relatively thoroughly. None of the "old functionaries" have remained; they are all new people who were, admittedly, members of the party but who were relatively critical already during the normalization period. They succeeded rather neatly in transforming a totalitarian party into a party that is serious about democracy—including internal democracy. This is the point that is little known in Bohemia-Moravia and is not appreciated enough.

[Tichy] What is your opinion on the screening law?

[Mnacko] The screening law—this is a political struggle for power. The leftists still have their backs against the wall and other political forces are taking advantage of it. The law should establish the guilt of individuals. But it is absurd to make the guilt anonymous and attribute it to one common denominator. Not even the okres secretaries were a homogenous pack of psychopaths or political criminals. There were individuals even among them who attempted to do something useful. If one person committed an offence against the life, property, liberty, or dignity of another person, let him answer for it. But this [law] could prevent those people from cooperating who might have some "stains from the past," but could contribute to this society. Some time ago Havel stated it very clearly: no one is blameless. A frightened, silent citizen who could not bring himself to oppose force is not totally lacking in guilt, either. Alexandr Matuska wrote: "Everyone worked, some just did extra work." Those people who mainly did the extra work are staying on the sidelines, no one wants to probe into that. They should be brought to trial—even if the court ultimately sets them free. But their collaboration with the occupying forces cannot be suppressed; after all, they collaborated right through to 17 November 1989.

[Tichy] What does the Slovak nation's "search for identity" really mean? In Bohemia-Moravia such attempts are often interpreted as the striving for an independent Slovak state.

[Mnacko] That is an all-inclusive view. Slovaks do not feel inferior in any way. The so-called search for identity

is a stupidity, there is no other term to describe it. How can a nation that has existed for 1,000 years seek its identity? The Slovaks are a modern, civilized, and cultured nation. There are no points of friction there. The points of friction are in the politics. Slovaks are now very self-confident, sometimes perhaps excessively so, but that is in keeping with their mentality.

[Tichy] You are recognized as a Slovak writer, yet during our first meeting you mentioned that you come from Moravia. In addition, you speak excellent Czech.

[Mnacko] I was born in Moravia but had not yet even learned to talk when my parents moved to Slovakia. Our family was one of the few to become Slovak very quickly. I have a Slovak upbringing, experiences, and mentality. So what am I really? Not a Czechoslovak, that is ridiculous. . . . I feel at home there. I tried to live elsewhere, but without much success.

[Tichy] Will you return to Slovakia?

[Mnacko] I have really returned already. We are living in Austria at the moment because we have no place in Slovakia, but I hope that the situation will change within the next six months. Abroad we lived totally separated from society and I was bored there. I always believed that I would return, although I thought that I might be too old. But I am not all that old yet and, in addition, I am coming as a passionate publicist to a country where something is happening. I cannot judge to what extent my opinions will mean something to people, but as long as I have them I will assert them.

[Tichy] Would you also return to an independent Slovak state?

[Mnacko] Yes. I do not wish to overrate myself, but that country will need every gram of creativity and intellect that it can get. The nations are heading for disaster through mistaken, wrong policies. The policies and false prophets will disappear but the nations will still be there. And the awareness process of a nation is made up of the number of people who live there, each of whom has some quality within himself through which he can—if he so wishes—make a contribution. And I do wish to. Naturally, as long as they don't throw me out.

#### Slowdown in Negative Economic Tendencies Expected

92CH0154B Prague HOSPODARSKE NOVINY  
in Czech 8 Nov 91 p 8

[Article by (ci): "The Negative Trend Is Slowing Down"]

[Text] In October the Federal Statistical Office, in cooperation with the Czech Statistical Office, the Slovak Statistical Office, and their regional agencies, conducted a survey of profitability developments in the third quarter and the expected development in the fourth quarter and in 1991 as a whole for selected industrial organizations (including private ones), as well as a study

of other current problems. In the Czech Republic, the questions in the survey were answered by 483 enterprises which produce more than half of the industrial output on the territory of the Czech Republic.

As during the course of the entire year, the enterprises expect that the development of the economic situation in the entire enterprise will be better than in the branch as a whole. According to forecasts, the economic situation in the fourth quarter has become slightly worse on the average, but the negative trends will be much slower than in the course of the third quarter. For more than half of the enterprises, the economic situation overall is stabilizing and at 16 percent of them it is improving.

The financial situation of the enterprises in the third quarter on the average will not be good as regards the high level of debt and the high level of liabilities (at more than half of the enterprises). The prognosis is much more favorable for the fourth quarter; only 15 percent of the enterprises expect that their undertakings will get worse, while more than one-fourth of the enterprises expect things to get better. In comparison with 1990, the profitability of sales (clear profit/sales in operating days) should be higher at 70 percent of the enterprises, at roughly one-quarter of which it will be up to 10 percent higher.

The proportion of enterprises incapable of making payments remained at the level of the second quarter (almost every other enterprise was not liquid, with 43.7 percent of the enterprises reporting secondary nonliquidity).

The determining factor for production in the enterprises is the demand for the products. In the third quarter, the demand dropped further and in the fourth quarter a further reduction in the overall market is expected by more than 40 percent of the enterprises; a more lively market is predicted by only 20 percent of the enterprises. The demand on the domestic market will have an especially negative effect on the overall sales, but on the other hand the demand from abroad will have an increasing trend. On the average, the enterprises have orders covering production for 5.2 weeks, which is 1.7 weeks less than in the previous survey in July. No marketing difficulties were encountered for enterprises whose production of goods represent only 12.5 percent of that of all respondents.

The volume of goods produced this year is down compared to 1990 at 87 percent of the industrial enterprises that responded. Roughly 80 percent of the enterprises forecast a reduction in sales on the domestic market, but more than a fourth of them expect it to drop by more than 30 percent. The situation with sales for export will be relatively favorable, since more than half of the enterprises expect it to increase. Growth in production is prevented especially by the low domestic demand, an uncertain economic environment, low demand from the former CEMA countries, and also the prices for delivery

of raw material, materials, and semifinished goods domestically and from outside the country.

Only less than one-third of the enterprises accomplished a change in the makeup of the production program in 1991.

As far as the development of prices and supplies, the expectations of the third quarter were confirmed and the prices of raw materials and materials, as well as of finished products, changed only minimally. This trend should be preserved in the fourth quarter as well. The prices of finished products remain at the level of third quarter for three-fifths of the products, are dropping for roughly 20 percent of them, and about 10 percent of the products should have higher prices. The inventory of raw materials, materials, and semifinished goods did not grow in the third quarter at one-quarter of the enterprises. For the others, the growth in supplies was caused particularly by a reduction in the volume of production, an irregular course for the production cycle, and oversupply because of seasonal production. The level of inventory of finished products will change depending on the sales opportunities of the enterprises.

The overall situation in industrial employment was characterized by the fact that during the third quarter the number of employees was reduced in the majority of enterprises and more than 70 percent of the enterprises expect its further reduction in the fourth quarter. In contrast to this, the average earnings increased between the individual quarters and will continue to increase, while its growth in the fourth quarter will accelerate.

In comparing the expected number of employees in 1991 with the number in 1990, there has been a noticeable decrease. Only 4.4 percent of the enterprises expect the same number or a slight increase, while by contrast 3.5 percent of the enterprises anticipate a drop in the number of employees of more than 30 percent. Most often the respondents are anticipating a reduction in the number of employees ranging up to 20 percent. In an attempt to limit laying off employees, every eighth enterprise introduced a shortened work week or reduced working hours. These measures affected 13.5 percent of the employees covered by the survey and the average reduction in working hours amounted to 5.4 percent. In the fourth quarter, 28.4 percent of the enterprises already anticipate the introduction of a reduced work week or working hours and the actions will affect 31.7 percent of the employees. In these enterprises, the fund for working hours will be 8.9 percent lower.

Questions of privatization were also included in the survey. For example, it was discovered that in 1.8 percent of the enterprises it has already taken place and in 52.5 percent of the enterprises it will take place next year.

### Export Support Program Effects Discussed

92CH0162A Prague HOSPODARSKE NOVINY  
in Czech 20 Nov 91 p 8

[Article by Ivo Majdloch of the Ministry of Economy:  
"Support for the Interests of Exporters: The Proexport  
Program of the Czechoslovak Economy"—first para-  
graph is HOSPODARSKE NOVINY introduction]

[Text] Within the framework of the economic reform, the year 1991 also signified the beginning of express changes in the quality of our external economic relations. Essentially, from one day to the next, massive support for exports through financial subsidies and protection for manufacturing enterprises—exporters—against transfer of the influence of actual encashments to their management operations ceased. The time for relatively "inexpensive" credits, which made it possible for our exporters to offer advantageous payment conditions, came to an end. All of this occurred during a situation in which the assortment and quality of our export offerings were undergoing only very slow changes.

The fact that, given a certain rate of persistence of production, it is not possible to overestimate the proexport influence of rate of exchange instruments, that is to say, in our case, the devaluation of the Czechoslovak koruna was confirmed. The low rate of exchange of the koruna actually had positive consequences in the free currency area, particularly with respect to the export effectiveness of Czechoslovak exporters of raw materials and semifinished products. In a number of cases involving producers in the processing industries, the favorable influence of the devaluation was negated by increased import costs. Also, the influence of higher domestic interest rates and the restricted policy of the Czechoslovak State Bank, particularly with respect to the acquisition of export credits, was also not insignificant and resulted in the lack of utilization of a number of export opportunities, particularly those pertaining to engineering products.

The influence of domestic difficulties being experienced by the hitherto largest customer for Czechoslovak products—the USSR—is being felt at an increasing rate. Customers in the USSR, when they are switching to making payments in free currencies and to the extent to which they present at least some assurance that they will pay at all, are understandably demanding the same payments conditions pertaining to deliveries of our products as are being offered to them by suppliers from developed nations. Given the current rate of insolvency of customers from this territory, it is not exceptional, on the other hand, for them to demand a credit over several years, even for consumer goods, whereas existing payments agreements and customs in the world market figure on a virtually prompt payment. In this situation, our exporters are ceasing to be a state-supported competition, particularly in comparison with Western manufacturers (for example, in the form of state credit guarantees) and are not capable of competing on a regular basis.

### The Systems Environment

To rapidly overcome the above obstacles to export is one of the decisive tasks of the current era. In conjunction with some previously adopted steps, the Federal Government has evaluated and approved a widely based proexport program for the Czechoslovak economy for the immediate future. In contrast to previously processed documents of a similar nature, this case involved the search for such measures which are fully compatible with the principles of a functioning market economy and with Czechoslovak obligations stemming from membership in international financial and commercial organizations (the IMF, the World Bank, the GATT, and so forth).

In other words, the proexport program is not aimed at establishing branchwide, sectorwide, or other priorities. Its fundamental content are measures which are designed to finalize such a systems environment for our manufacturers which would facilitate and support their higher export commitment within the framework of the rules and usages customary in international commerce. The decisive word involved in the actual realization of the program must then lie with the individual economic entities. The active role played by the program will become manifest particularly in the initial phase, when it will be necessary to create or initiate the creation of institutions or mechanisms which function and are currently utilized in market economies.

### How To Finance Exports

The fundamental axis for the entire proexport program is the expansion of export financing. It has been confirmed that there is the necessity for a more rapid initiation, on the part of the state, pertaining to the development of a specialized institution, through which priority will be given to the development of a system for making guarantees and insurance available for export credits. Under our conditions, this system is essentially unknown, but is necessary, particularly as a result of the disruption of direct ties between export enterprises and the state budget.

Credit restrictions practiced by the banks were concentrated particularly in the area of foreign trade, where the commercial risk is the greatest. Increasingly, in this situation, so-called state guarantees of commercial credits are being called for, most of which are sizable in extent and have longer repayment terms. This type of "state" guarantee can, however, only solve partial, selected cases and, thus, in fact, leads to discrimination pertaining to the remaining entities. In the beginning phase, the proposed institution is supposed to provide guarantees particularly for medium-term and long-term credits to Czechoslovak enterprises on the commercial principle, that is to say, for a fee, and with the participation of the given entity, to cover risk. It should specialize particularly in political and territorial risk.

In terms of credit policy, it is expected that special-purpose foreign credits will be agreed upon which are

aimed at supporting Czechoslovak exports; their redistribution within the framework of the Czechoslovak economy will be governed by unified rules which will facilitate nondiscriminatory access to these credits by all economic entities.

Within the framework of banking instruments being prepared for 1992, proexport services will be expanded. To a lesser extent, in conjunction with changes in credit conditions, it was agreed to continue selective subsidies for credit differences, particularly in cases involving previously concluded contracts. This method of financial support for exports will, however, be conceptualized as being temporary, even for the ensuing period.

#### **Information and Technical Support**

Another area of state support for exporters will involve the certain participation on the part of the state in providing technical and institutional support for the information base utilized by Czechoslovak firms. This involves particularly the creation of an extensive information system for foreign trade, the active utilization of Czechoslovak commercial representations for the comprehensive solving of economic collaboration with the appropriate country, etc.

State participation in the establishment of a system for technical support for export activities will be significant. It will involve, for the most part, increases in the economic independence and technical level of Czechoslovak testing centers, with the intention of achieving international recognition for their findings, preparation of a support system for Czechoslovak exporters in rendering their products abroad to be homologous, and improving the access of Czechoslovak entities to the text and application of foreign standards and technical regulations.

It is proposed that advertising of Czechoslovak entities be supported on an expanded basis. On the domestic scene, the establishment of permanent commercial centers for small and medium-size entrepreneurs is being considered; these centers should, in the future, be tied to world trade centers (WTC). Prestigious prizes for our best exporters are intended to contribute to improving the image of Czechoslovak products.

#### **Direct State Participation**

An inseparable component of a proexport program also includes activities funded directly by the state. These involve, particularly, the attainment of favorable results with respect to the negotiations surrounding the association agreement with the European Economic Community, resuming negotiations regarding mutual commercial ties with the USSR, particularly with the individual republics, and acquiring international technical and credit assistance in support of Czechoslovak exporters. This category includes agreements on preventing dual taxation and support and protection for investments or possibly other agreements of this character concluded at the state level.

Together with the gradual development of internal and external conditions, there should also be proposals for mechanisms designed to create a market-oriented proexport policy, which should be further modified. The approved program is not a closed document anyway. The adopted measures will be realized primarily during the early months of 1992. The proexport climate which could be created successfully through this program will be long-term in nature and should, in an acceptable manner, also influence the solution of such fundamental questions of the Czechoslovak economy as are, for example, changes in the structure of industrial production.

The proexport program which has been negotiated and approved in recent days within the Government of the CSFR is the result of the work of experts from the economic, financial, and banking spheres. Within the framework of its preparations, a number of consultations took place which involved representatives of foreign institutions and departments; the participation of foreign experts is also anticipated with respect to the actual realization of the proposed measures.

#### **Status of Privatization Projects Reviewed**

*92CH0162B Prague HOSPODARSKE NOVINY  
in Czech 20 Nov 91 p 9*

[Article by Jan Princ, first deputy of the Czech Republic National Property Fund Executive Committee: "The Realization of Privatization Projects Above All—We Introduce the Czech Republic National Property Fund"]

[Text] The National Property Fund of the Czech Republic [CR] was established by law of the Czech National Council No. 171/1991 Sb. [Collection of Laws] and, as a legal entity, was entered in the enterprise register, effective 2 August 1991, after its statutes were approved by the Czech National Council.

The National Property Fund will play an important role in the process of large-scale privatization, primarily by taking over from the state property which is intended for privatization on the basis of approved privatization projects and will then be transferring this property to new entities.

That portion of the property of Czech Republic enterprises which is intended for privatization, but which is located on the territory of the Slovak Republic, does not pass to the National Property Fund of the Czech Republic.

#### **Forms of Privatization**

The fund is responsible for the realization of privatization projects approved by the Ministry for the Administration of National Property or by the government of the Czech Republic. It will make use of the following transformation forms:

- Establishment of joint stock companies and other commercial corporations;
- Sale of state property participation (securities) in already existing joint stock corporations;
- Direct sale of property to specific buyers on the basis of a privatization project approved by the government of the Czech Republic;
- The sale of property on the basis of the results of public competition;
- The sale of property at public auctions;
- The settlement of claims submitted by authorized individuals, provided they have been deprived of their property rights by methods listed in Section 2, Paragraph 3, of Law No. 87/1991 Sb. on extrajudicial rehabilitations; settlement of restitution claims based on Law No. 92/1991 Sb.

If the fund determines that there are justified reasons why a privatization project as a whole or in part cannot be realized, it will propose a change in the privatization project (for example, it will change the realization progress chart, possibly propose a change in the privatization method being used) and will ask the Ministry for the Administration of National Property and Its Privatization of the Czech Republic to approve the changes to the specific privatization project. Privatization projects which have been approved by the government of the Czech Republic are subject to agreement by the government of the Czech Republic.

#### Utilization of Property

Property being administered by the National Property Fund of the Czech Republic is not part of the state budget of the Czech Republic and will be utilized for the following purposes:

- In conjunction with the approved privatization project, to settle restitution claims submitted by authorized individuals on the basis of Law No. 92/1991 Sb., to establish joint stock or other commercial corporations, to sell the property, primarily through the form of public auctions or possible competition;
- To transfer the property to communities;
- To transfer the property to funds administering health insurance and social security insurance;
- To strengthen the resources at the disposal of banks and savings institutions intended to grant credits, particularly aimed at newly established entrepreneurial entities;
- To fulfill the obligations of enterprises intended for privatization, to the extent and under conditions determined by the Ministry for the Administration of National Property and Its Privatization of the Czech Republic;
- To compensate for costs connected with implementing privatization projects, to the extent and under conditions determined by the statutes of the fund and at levels to be determined in specific cases by the presidium of the fund;
- To settle restitution claims submitted by authorized individuals on the basis of Law No. 87/1991 Sb. on extrajudicial rehabilitations.

The National Property Fund of the Czech Republic may, on the basis of permission granted by the State Bank and by the Ministry of Finance of the Czech Republic, issue bonds of the fund to bridge the time gap between income and expenditures and to conduct operations with these bonds in the financial market.

At the time of its establishment of Law No. 171/1991 Sb., the National Property Fund of the Czech Republic was charged with administering the resources deposited in special accounts of the Ministry for the Administration of National Property and Its Privatization of the Czech Republic, according to Law No. 427/1990 Sb. on the transfer of state-owned property to other legal or physical entities.

In the realization of the above tasks, the fund proceeds in close collaboration with the Ministry for the Administration of National Property and Its Privatization of the Czech Republic. In its activities, the fund is methodologically managed by that ministry.

#### Organs of the Fund

The highest organ of the fund is the nine-member presidium, which is elected by the Czech National Council. By law, the chairman of the presidium is the minister for the administration of national property and its privatization of the Czech Republic.

The presidium of the fund has primary responsibility for the following tasks:

- It appoints the executive committee of the fund and directs its activities;
- It works out the statutes for the fund which require approval by the Czech National Council on the basis of recommendations by the government;
- It works out the proposed budget for the fund which, on the basis of recommendations by the government, is approved by the Czech National Council;
- It is responsible for the annual balance sheet of the fund which is approved by the Czech National Council on the basis of government recommendations;
- It discusses the annual report covering the activities of the fund for the previous year;
- It discusses and approves the procedures used by the executive committee of the fund pertaining to fundamental questions having to do with the strategy of handling the property which has passed to the fund.

The executive committee of the fund directs the fund activities within the framework of directives issued by the presidium; the executive committee is made up of 10 members. A five-member oversight council, elected by the Czech National Council, supervises the management of the fund, the activities of the presidium and of the executive committee. The oversight council primarily deals with the proposed budget, the annual balance

sheet, and the annual report of the fund, prior to the time these documents are presented to the government of the Czech Republic.

Currently, the National Property Fund of the Czech Republic has 23 employees and the anticipated number of employees for 1992 is 70.

#### **Additional Spheres of Activity**

The National Property Fund of the Czech Republic, together with the Department for Auction Sales of the Ministry for the Administration of National Property and Its Privatization of the Czech Republic has issued a methodological directive for conducting public auctions in accordance with Law No. 92/1991 Sb., which regulates procedures to be used in selling state property in this manner. On the basis of the first experiences involved in the realization of direct sales and sales on the basis of results of public contests, methodological procedures are prepared for the remaining transformation phases, so that the fund is capable of assuring the smooth realization of privatization sales as they are approved.

On the basis of recommendations by the Financial Council of the CSFR and by decision of the presidium, the National Property Fund of the Czech Republic will, in the immediate future, strengthen the basic capital at the disposal of the Bank of Commerce, the Investment Bank, the Czechoslovak Commercial Bank, and the Czech State Savings Institution to the extent of 7.8 billion korunas [Kcs]. Moreover, the fund will issue obligations for Kcs22.2 billion to those banks which decide, on the basis of requests by enterprises, to continue to extend credits to future entrepreneurial entities, following the positive evaluation of submitted entrepreneurial intentions to facilitate the current write-off of previously granted credits. The fund will undertake this operation together with the banks on a one-time basis involving a specific enterprise.

On the basis of the principles covering the establishment of the Restitution Investment Fund, which were approved by the Financial Council of the CSFR on 6 May 1991, the National Property Fund of the Czech Republic establishes its Investment Fund for Restitution. Claims by authorized persons, in accordance with Section 13 of Law No. 87/1991 Sb. on extrajudicial rehabilitations and Section 47 of Law No. 92/1991 Sb. on conditions under which state property may be transferred to other entities, will be settled through securities issued by the Investment Restitution Fund at nominal values corresponding to the size of the recognized restitution claim.

For purposes of establishing the Investment Restitution Fund, the National Property Fund of the Czech Republic will set aside 3 percent of the privatized property which is deposited in joint stock corporations and 3 percent of the privatization property share of the state in already existing joint stock corporations. The National Property Fund of the Czech Republic shares financially in the

establishment of privatization consultation offices which provide necessary information to processors of privatization projects.

#### **Early Results**

Large-scale privatization has been realistically begun. By the end of October, the National Property Fund of the Czech Republic received 15 approved privatization projects, nine of which were realized as of the same date:

| Form of Privatization | Number | Achieved Price (in thousands of korunas) |
|-----------------------|--------|--|
| Public auction        | 2      | 11,228                                   |
| Public competition    | 2      | 10,727                                   |
| Direct sales          | 5      | 1,714,517                                |

Direct sales were realized to their full extent on the basis of privatization projects approved by the government of the Czech Republic. We expect that joint stock corporations will be formed during the course of the month of December. The National Property Fund will primarily concentrate on realizing approved privatization projects which will result in the creation of joint stock corporations, whose property will be privatized by the coupon privatization method.

#### **Small Farm Economic Viability Examined**

*92CH0154A Prague ZEMEDELSKE NOVINY  
in Czech 6 Nov 91 p 2*

[Article by Dr. Ivan Foltyn, Academy of Agricultural Sciences of the CSFR: "Evaluating the Economic Prosperity of Small Farms"]

[Text] In discussions in the mass media it is possible to follow the deep polarity of opinions in searching for a formula for a solution to economic prosperity for Czechoslovak agriculture. One line of thought looks for a solution in the transformation of the current large agricultural enterprises into small family farms or, in some cases, smaller agricultural enterprises, modelled after Western agriculture. The proponents of this direction point out the possibility of a substantial reduction in the level of expenses at family farms and expect them to show a high level of profit. They base their arguments on the current state of Czechoslovak agriculture where the vast majority of the state farms and agricultural cooperatives are teetering on the brink of economic collapse. Another, no less powerful, group maintains the opinion that the future of agriculture belongs to the large-scale producer, even if in another form than the present one, in keeping with the worldwide trend toward agricultural enterprises getting bigger in economically advanced countries.

Another contribution to the discussion are the results of the work of a team of experts under the auspices of the Federal Ministry of Economy who attempted to evaluate

the probable economic effectiveness of future agricultural farms on the basis of scientifically founded analyses and objectively available data. The results should serve as objective criteria in allocating subsidies, without which Czechoslovak agriculture, like agriculture in the industrialized countries, probably cannot get along.

To answer the questions posed above, a model for optimizing the operation of agricultural farms was created, based on the mathematical method of linear programming, whose main goal is the simulation of the expected economic effect for running family farms of up to 150 hectares in various natural regions under the current economic conditions.

For the model solutions to the above problem, farm sizes of 20, 30, 40, 50, 80, 100, and 150 hectares were selected and the following base studies were worked out:

- Twenty-six optimum structures for crop production worked out in variants according to the natural climatic regions of the Czech Republic, together with forecasts of the harvest per hectare (Vrkoc, Knobova, et al., VURV [Institute for the Research of Vegetable Production], 1991).
- Six optimum structures for raising cattle (from closed turnover up through specialized breeding) together with the normative consumption of nutrients (SJ, SNL, and grain) according to the individual categories of cattle, with the content of those nutrients in available types of feed depending on the production areas (Vana, Stehlik, et al., VUZV [Animal Husbandry Research Institute], 1991).
- Normative expenses for the individual agricultural crops and products depending on the size of the farms and for the minimum essentially necessary technological measures, using current prices for agricultural machinery and equipment and the present prices of fuel and energy (Spelina, Polenda, et al., VUZT [probably Agricultural Technology Research Institute], 1991).
- Normative variable expenses of the individual categories of raising cattle worked out on the basis of statistical studies of variable expenses of agricultural enterprises as compiled by the VUEZVz [Agriculture and Food Economics Research Institute] and updated as regards the current price relationships (Bubik, VUEZVz, 1991).

The above expert studies were utilized together with the statistical forecasts of the FMH [Federal Ministry of Economy] on the current development of the average market prices for agricultural products as the numerical input for almost 1,000 variants of the model calculations (a total of 928 variants).

The mathematical model and its program software make it possible to set up and calculate automatically the individual types of farms, depending on the selection of the size of the farm and the type of composition of crop and livestock production.

The goal of the model is to bring into balance the size of the farm (within a range of 20 to 150 hectares), the composition of RV [crop production] considered (characterized by a percentage structure of produce and crops), and the proposed composition of ZV [livestock production] (based on the cattle makeup per 100 cows, heifers, and feed stock) by means of adjusting the grain and bulk fodder (based on the content of SJ, SNL, and grain). The model optimizes the farm's profit (maximum sales minus minimum costs) with a priority of balancing out the feed mixture. At the same time, the costs in RV and ZV were reduced by the wage expenses. In ZV, one's own feedstuffs which have no price set as an intermediate product were not counted as costs and they show up only in the final calculations of the farm's profit.

The model calculations for all variants of the RV and ZV production structures for all sizes of farms showed a marked predominance of negative economic results (that is, losses) over positive ones, as can be seen from Tables 1 and 2. These negative results confirm that the mutual relationships of the current market prices and costs, represented particularly by the prices of machinery and energy after the liberalization of prices, make it impossible to manage a farm of less than 150 hectares effectively from the economic standpoint without state assistance in any of the climatic production conditions of the Czech Republic [CR], even in a case where we do not take into consideration the trade barriers to marketing agricultural production. The calculated losses range on the average between 4,000 and 8,000 korunas [Kcs] per hectare of agricultural land without including the cost of wages.

Table 1—Results of Model Simulations for a 20-Hectare Farm (Profit/Loss in Thousands of Korunas per Hectare)

| Product  | Production Makeup With Cattle Raising |        |             |        |        | Production Makeup Without Cattle Raising |        |             |        |        |
|----------|---------------------------------------|--------|-------------|--------|--------|--|--------|-------------|--------|--------|
|          | Makeup                                |        | Profit/Loss |        |        | Makeup                                   |        | Profit/Loss |        |        |
|          | Total                                 | Profit | Min         | Max    | Avg    | Total                                    | Profit | Min         | Max    | Avg    |
| Corn     | 12                                    | 0      | - 7.6       | - 9.5  | - 8.8  | 2  | 0      | - 6.2       | - 8.7  | - 7.5  |
| Beets    | 36                                    | 0      | - 3.0       | - 13.2 | - 8.6  | 1  | 0      | - 11.8      | - 11.8 | - 11.8 |
| Potatoes | 36                                    | 5      | + 2.2       | - 12.9 | - 4.6  | 5  | 1      | + 9.8       | - 11.9 | - 5.0  |
| Beans    | 18                                    | 0      | - 5.1       | - 15.3 | - 10.4 | -  | -      | -           | -      | -      |
| Peas     | 6                                     | 0      | - 8.2       | - 13.3 | - 10.7 | -  | -      | -           | -      | -      |
| Total    | 108                                   | 5      | - 2.2       | - 15.3 | - 7.7  | 8  | 1      | - 9.8       | - 11.9 | - 6.5  |

**Table 2—Results of Model Simulations for a 150-Hectare Farm (Profit/Loss in Thousands of Korunas per Hectare)**

| Product  | Production Makeup With Cattle Raising |        |             |        |       | Production Makeup Without Cattle Raising |        |             |       |       |
|----------|---------------------------------------|--------|-------------|--------|-------|--|--------|-------------|-------|-------|
|          | Makeup                                |        | Profit/Loss |        |       | Makeup                                   |        | Profit/Loss |       |       |
|          | Total                                 | Profit | Min         | Max    | Avg   | Total                                    | Profit | Min         | Max   | Avg   |
| Corn     | 12                                    | 0      | - 2.6       | - 5.0  | - 3.9 | 2  | 0      | - 3.0       | - 3.2 | - 3.1 |
| Beets    | 36                                    | 1      | + 0.5       | - 10.2 | - 4.3 | 1  | 0      | - 5.9       | - 5.9 | - 5.9 |
| Potatoes | 36                                    | 10     | + 5.0       | - 11.1 | - 2.9 | 5  | 1      | + 12.9      | - 9.2 | - 2.1 |
| Beans    | 18                                    | 0      | - 2.9       | - 10.8 | - 6.9 | -  | -      | -           | -     | -     |
| Peas     | 6                                     | 0      | - 7.4       | - 12.4 | - 9.9 | -  | -      | -           | -     | -     |
| Total    | 108                                   | 11     | + 5.0       | - 12.4 | - 4.5 | 8  | 1      | + 12.9      | - 9.2 | - 2.8 |

The model of marginal prices is tied to the model for optimizing management of agricultural farms. It is a mathematical model of a linear program search for new minimal purchase prices for agricultural productions (the so-called marginal prices) which ensure that the result of running the farms will not be an economic loss. The model calculations showed that the marginal prices of a number of agricultural products would be at least twice as high in comparison with the current average market prices, especially for the market products showing up most often, such as milk or cereal grains. It is, however, interesting that the marginal price of meat

from cattle raised for slaughter remains practically the same in all variants as the current level of market prices.

The results of the model experiments thus give a negative response to the proponents of small scale agricultural production and show that the transformation of Czechoslovak agriculture will in no case be a simple matter which will take place without state subsidy assistance. However, this conclusion comes as no surprise to professionals in this field and it is moreover fully in keeping with the economic policies of the industrially mature countries.

**Konya Vows Acceleration of the Change of Regimes**

*92CH0165A Budapest MAGYAR FORUM  
in Hungarian 7, 14 Nov 91*

[Interview in two installments with Imre Konya, the leader of the Hungarian Democratic Forum's faction in the National Assembly, by Csaba Kosa and Imre Krajczar, editor in chief and executive editor respectively of MAGYAR FORUM; place and date not given: "Within the Change of Regimes, the Beginning of a New Era"—first paragraph of each installment is MAGYAR FORUM introduction]

[7 Nov p 3]

[Text] For well over two months now, Imre Konya, the leader of the Hungarian Democratic Forum's [MDF] parliamentary faction, has been respectively Hungary's most quoted and most often attacked, mentioned, and applauded politician. Ever since his analysis of the political situation, which he had presented to a closed-door conference, was "smuggled out," "leaked to," and reported by the press, first in summary and then in full, Hungarian political public opinion has been voting almost continually. Mostly for him, and to a lesser extent against him. In an interview he gave Csaba Kosa and Imre Krajczar, MAGYAR FORUM's editor in chief and executive editor respectively, the leader of the MDF faction discussed the political storm over the "Konya Papers" and the domestic political situation in general. Below we present the first installment of the interview's edited version.

[MAGYAR FORUM] The waves of the storm raised artificially in the wake of making the Konya summaries public are beginning to subside. What harm has been caused by the coordinated attack against you?

[Konya] The favorable consequences of that campaign are so much more important that practically it is not worth while to talk about the unfavorable ones. Naturally, the campaign did occupy some of my time. After all, one does have to respond now and then to attacks. Perhaps within a certain circle—but I am positive it was a very narrow one—the campaign's organizers may even have achieved a part of their objective, namely that of discrediting me personally. However, their more important objective was to discredit the entire Hungarian Democratic Forum and the government as well. But that they most certainly have failed to achieve.

Generally speaking, the campaign's planners may have had also objectives that were hopeless to begin with. Namely, to question stability. In other words, to pretend that the views expressed in my modest paper were a direct threat to Hungary's democratic institutions.

After all, it was argued, if the strongest ruling party and one of its leading politicians were not truly dedicated democrats, then democracy itself was surely facing a "serious threat."

Well, that probably was a further objective. In that respect I am certain the campaign did not succeed, not even within an entirely narrow circle.

In my opinion, nobody in Hungary believes that democracy is in jeopardy or that we in particular are a threat to it.

**Stable Democracy**

I am convinced that this government and the Hungarian Democratic Forum are more likely to be accused of not being sufficiently resolute, and that very few people regard us as arbitrary and aggressive.

Hence the campaign's favorable effect. Instead of worrying lest we harm democracy, I suspect, the individuals whom this artificially created storm has managed to reach at all are much more apt to think that those people up there are finally attempting to do something. That is the positive message of this affair.

The point is that the Hungarian Democratic Forum has indeed decided to engage in politics more resolutely and firmly in the future. And those who planned and implemented the campaign have inadvertently done much to help make the public increasingly aware of this.

[MAGYAR FORUM] Could we say that the campaign, although not launched with good intentions by any means, has nevertheless had a favorable effect?

[Konya] Objectively speaking, most certainly.

[MAGYAR FORUM] Was there perhaps something intentional about leaking your analysis?

[Konya] To be quite frank, I would like to say that we planned everything in advance and have exploited even the often unfriendly press to advance our objectives. I would gladly say that if it were true. For the fact is that we sorely needed this campaign. After all, we must now effect a change of rhythm. More resolute politics will be typical of the second phase in the change of regimes.

But this change will not be so extensive as, say, the change from the politics of dictatorship to the politics of democracy. Nevertheless, it is very important that the people sense this change. Actually they are able to perceive it only through the mass media.

[MAGYAR FORUM] In your opinion, has political public opinion perceived this change of rhythm?

[Konya] Yes, I think it has. It will be remembered that we neither can nor want to control the news media. The influence of the press that sympathizes with us is rather weak for the time being. Ninety percent of the press is against us. Now that the press has picked up this issue out of anger and prejudice, it has done us the unbidden favor of transmitting the political will that has been articulated at the MDF's county meetings and before other forums as well.

The people have sensed, and sooner or later will sense even more, that a new phase has arrived in the process of changing regimes. As before, we will continue to do what has or had to be done, but we will be doing it more resolutely.

### **Politics of Another Kind**

[MAGYAR FORUM] Especially those parts of the Konya study created a big storm in which you dwelt on the press. To what extent does this press differ from the mass media in other countries?

[Konya] We neither can nor want to directly change the press around us. But we must recognize that today the press in Hungary is acting as an independent political force. There is not much we can do about that, of course. But at least we must see the situation clearly, to avoid pretending that we are facing the liberal press customary in Western democracies.

Therefore anyone is mistaken who thinks that if I invite the press to my desk, all the editors in chief without exception, and say, "Fellows, I am at your service," the press will then behave correctly and fairly. The press will not be fair, because it is pursuing political objectives of its own, and those objectives are different from mine.

[MAGYAR FORUM] How are you able to establish a link between the leaking of the study and the more recent Konya speeches?

[Konya] I am unable to do so, because there isn't any link. My most recent speech, the one in Csongrad, was not any more radical than what I had written in August and said on several occasions since then. Moreover, that highly controversial study and my various speeches do not contain a single idea that does not follow directly from everything I had been advocating earlier; at the Opposition Roundtable, for instance. One objective of the campaign launched against me was an attempt to dislodge me from the center of the MDF into its extreme right. Since it would be fairly difficult to brand as extreme my role in the Opposition Roundtable and my activity to date, it is being alleged that lately I have become radicalized and have changed my earlier views. From my Csongrad speech, for instance, one sentence regarding Imre Nagy was highlighted, and then Imre Mecs in an interview was amazed that I was questioning Imre Nagy's historical greatness. Whereas at the time I definitely insisted that Imre Nagy be placed where he deserved to be, in the nation's consciousness.

I do not change my views in accordance with momentary political interests. I was like that also at the time of the Opposition Roundtable, but then my present political opponents' attitude toward me was quite different. Regarding the question of Imre Nagy, specifically Imre Mecs and I were the ones who supported the standpoint that called for reburying five freedom fighters with Imre Nagy on 16 July 1989.

### **Converting a Communist Into a National Hero**

[MAGYAR FORUM] That was not done?

[Konya] No, it was not. Even though the TIB [Committee for Historical Justice] had introduced the proposal, and the Independent Lawyers' Forum also adopted such a standpoint. We were concerned that, after the conspiracy of silence and accusations of a counterrevolution, a new falsification of history would follow, attempting to give credit for the entire revolution merely to a handful of reform-minded Communist politicians, rather than to the Hungarian people as a whole. Imre Nagy was a Communist all his life, a loyal Communist. Under the revolution's influence, he became one of the Hungarian nation's martyrs.

It was of immense importance to point out Imre Nagy's historical greatness, while emphasizing first of all the historical greatness of the Hungarian people. The fact that this loyal Communist could be converted into a national hero, one who resisted the temptation to disown the revolution, even though he could have saved his own life by doing so. I felt the same way about this also in 1989. I espouse now the same political, humane, and moral principles as I did at the time of the Opposition Roundtable, and which induced me to enter public life after four decades as a civilian. For instance, I do not think that anyone who compared the charter of the Independent Lawyers' Forum with what I wrote on those 22 pages would find even a trace of a contradiction.

[MAGYAR FORUM] But your opponents have changed.

[Konya] I do not think that they have changed. It is just that many of them now think their immediate interests within party politics are more important than the objectives we jointly undertook in times past. And to question a one-time ally's honesty, which they had been able to ascertain then, now seems to be compatible with their political taste.

[MAGYAR FORUM] As we are conducting this interview, debate is still continuing on the bill on rendering justice. The National Assembly has scheduled a vote on this important issue for Monday, 4 November, the anniversary of the commencement of the new [Soviet] occupation. A day of mourning in Hungarian history. Obviously, the scheduling of the vote for that day is not accidental.

[Konya] That is correct; it is not accidental. Besides being a day of mourning, it will also be a day of rendering justice.

(To be concluded in the next issue.)

[14 Nov p 5]

[Text] In the first installment of our interview with Imre Konya we discussed the change of rhythm in the process of changing regimes. Now the chairman of the Hungarian Democratic Forum's [MDF's] faction in the

National Assembly talks with Csaba Kosa and Imre Krajczar, MAGYAR FORUM's editor in chief and executive editor respectively, about the domestic news media, the problems of developing a middle class, and the accelerating sociopolitical changes.

[MAGYAR FORUM] We have to ask you, Mr. Chairman: Are you aware that your popularity rating has risen since the leaking or theft of the so-called Konya study? From our incoming mail we conclude that your popularity rating has increased considerably. The other side is attempting to prove that your popularity has declined.

[Konya] I too have read in HETI VILAGGAZDASAG that my popularity rating has dropped "three percentage points" lately.

#### We Will Maintain Social Tranquility

[MAGYAR FORUM] We would like to add that the letters are mostly from persons who are not members of the MDF. Several of them write that they now realize it had been a mistake on their part to vote for the SZDSZ [Alliance of Free Democrats] or FIDESZ [Federation of Young Democrats]. We think what leaked out then inspired them to write now. That is important.

[Konya] I too am getting letters, very many of them. In 99 percent of the letters the tone is positive. Just like in the letters arriving at MAGYAR FORUM, RING, HETI MAGYARORSZAG, and UJ MAGYARORSZAG.

[MAGYAR FORUM] We who have welcomed this more radical tone are of the opinion that it certainly is an improvement over past practice. But what could be done to enable everyone to perceive something of this shift?

[Konya] It is important to emphasize that there is no question of any substantive change, of radicalism. What is now happening is not radicalism by far. We have to do what we have been doing up to now, but we must do it more resolutely than before. Unalterably the most important task is to maintain social tranquility at all cost.

[MAGYAR FORUM] Have you ever felt that social tranquility could be in jeopardy also when nothing is happening?

[Konya] What do you mean by nothing happening? After all, every law that we enacted and every measure we adopted have served to implement the change of regimes. But it is also true that most people do not sense the change reflected in their personal fortune. What they are more likely to sense is the uncertainty. Also for that reason it is important to engage in politics more resolutely. So that everyone may understand and feel that this is indeed a different world. Where nobody has anything to fear. And where everybody has the right, and sooner or later will also have the opportunity, to live decently and prosper. For we will be able to carry out only jointly the task of changing regimes. From above we

can only shape the framework, and Hungarian society will have to fill it with substance. And I am certain that we, too, will succeed in attaining what more fortunate nations have achieved under more favorable conditions in recent decades. Western capital's cooperation, of course, will be indispensable.

#### Politics for Ourselves or for the West?

[MAGYAR FORUM] Another question also has been raised: Will we be shaping our politics to suit the West or ourselves? If the West, then the dissatisfaction here will remain. Obviously, the West expects us to do what we have been told, namely to shut up. Integration will accelerate there in 1992, and the West wants to enter the new stage of integration while maintaining its standard of living and preserving its external and internal security. In other words, the Western countries do not want "those Balkan conditions" to spread to them. Obviously, we will be expected to "keep your mouths shut, because by doing so you will at least not be holding us back."

[Konya] To the contrary. Although there are conflicts of interest, perhaps never before has our country enjoyed greater prestige in the West than at present. The government and the MDF have been able to prove by facts and deeds that we subscribe to the same values as the West, are realizing the same ideals and are true believers in democracy, the market economy, human rights, and freedom. We have proved that by deeds.

[MAGYAR FORUM] But that is what every political party is claiming. Each one wants democracy and a market economy. And yet how fierce is the fighting among them.

[Konya] Of course, the political parties want the same thing so far as the essentials are concerned. A market economy, EC membership, democracy, and human rights. And every party is probably sincere about this. The difference lies in how they intend to achieve the essentials. At this point, allow me to quote Denes Csengey. In an early TV interview broadcast only after his death, he said we are striving to join Europe, but we all want to belong to it.

In my opinion, this is where the difference lies. Consider the Compensation Law, for instance. Every opposition party was firmly against it. But we insisted on doing what could be done in the country's present situation, even though we knew that the settling of compensation claims would not be perfect. And we wanted to promote also in this manner the development of a broader, propertied middle class. Here we will be giving property to those from whom it was confiscated unlawfully. But we are now considering also a cooperative bill, through which even people may obtain property who never owned any before. And we will implement an employee stock ownership program, to enable also employees to become proprietors.

**Proprietor Does Not Tolerate Subordination**

None of these laws alone provides a solution. But taken together they perhaps offer an indication of what we are striving for. Let social property that is unable to function become private property, shared among the widest possible stratum. All this also enhances the stability of democracy. After all, the citizen-proprietor does not tolerate subordinate status. Our laws fit together beautifully, if we are willing to notice the connections between them.

We have enacted 60 new laws and amended even more. Over 100 resolutions of the National Assembly. That is how we are implementing the change of regimes, the task we have undertaken. This is a real revolution, fought with laws rather than with weapons. And it is a legitimate revolution, a constitutional one.

**Csurka on 'Cosmopolitanism' of Maxwell, SZDSZ**

*92CH0166A Budapest MAGYAR FORUM  
in Hungarian 14 Nov 91 p 2*

[Editorial by Istvan Csurka, member of the Hungarian Democratic Forum's leadership and chairman of MAGYAR FORUM's editorial board]

[Text] We will continue where we left off, namely with the Maxwell story. The real question for us is Maxwell's close association with privatization in Hungary, rather than the mysterious circumstances of his death that could very well belong in a criminal case, or the publishing tycoon's debt and the failure or survival of his empire. It is not at all indifferent to our openness—as it strives to emerge into the light of day from the dirty mendacity and demoralizing evasiness of the Kadar regime, but is still dominated by the old guard—what policy direction and system of criteria are being set in our country by someone who suddenly emerged as the biggest publishing tycoon, and by others. If in the Maxwell story it were not possible to trace the covert processes of the transition from socialism into something else, these covert processes often being more important than the overt ones, then we would not be dwelling on it. For the simple reason that the Maxwell newspapers, namely the ones in Hungary, are leftist and antigovernment.

But the story speaks for itself. At least two scandals have erupted simultaneously in London. On the stock exchange it is being rumored that the Maxwell empire is unable to service its huge debt, and in the House of Commons both the Tories and Labor are beginning to pry into the relationship between the Maxwell newspapers and Mossad, the Israeli intelligence service. Also a book is being published about all this. Its protagonist will be Israel's nuclear strike force. Kidnapped and dispatched journalists and politicians and seductive women will only lend color to it. In the background, of course, there is the recently ended Gulf war in which Iraq's capacity to make nuclear bombs will be destroyed. There is the Iran-Iraq war with its questionable arms deals, in

which Maxwell allegedly was involved. And finally there are the millions of dead, very many of them still unburied.

Perhaps a thorough investigation would not confirm anything of this, not even if also the investigating prosecutors' funeral expenses were to be charged to this account. But it is indisputable that the game around Maxwell was for very high stakes.

And that immediately provides the first mystery. What motivated a tycoon playing for such huge stakes to enter already in 1989 Hungary's lossmaking and chaotic press market when it was just shedding communism, but only God alone knew in what would dress up next? It is difficult to assume a genuine business interest. Nor do we know when, where and with whom the negotiations actually began. We have to impute as sufficient motive the fact that Maxwell, under some other name, was born in the former Austro-Hungarian empire, on the territory of present-day Slovakia [as published], in a locality inhabited also by ethnic Hungarians; and that later, during the war, he also passed through the territory of present-day Hungary and was even persecuted here because of his Jewish origin. For it is being suggested that Maxwell acquired Hungarian newspapers because of his affection for Hungarians.

But let us refer preferably to Maxwell sources. Jozsef Gyorke is a former deputy chief of an MSZMP [Hungarian Socialist Workers Party] Central Committee department and a former Hungarian ambassador in London ("my poor country, my poor..."). Today he is the East European director of Maxwell Communication Corporation [MCC] and a member of the board of directors of the Magyar Hirlap Book and Newspaper Publishing Enterprise. In the caption to a photograph, with laconic brevity, he explains the reason for the deal as follows: "Maxwell always spoke affectionately of Hungary."

It will be worth while to continue quoting Mr. Gyorke. After all, at the MSZMP Central Committee he acquired a respect for facts and empiricism, and even for criticism. "He visited us still before the free elections and established very good relations with Miklos Nemeth, the prime minister at the time." How nicely the phrase "still before the free elections" sounds from the lips of a sorely tried MSZMP official. But let us not find fault with this or, for that matter, with anything else Mr. Gyorke claims. For he is now the "East European director" and free elections have already been held everywhere in Central and East Europe. Regrettably, what is not behind us as yet is the fact that former MSZMP ambassadors are still able to invent mendacious stories from such elegiac positions.

Gyorke said (speaking of Maxwell): "I became acquainted with him in the autumn of 1989. At that time I was stationed as ambassador in the United Kingdom." In 1989; in other words, before the free elections. And at that time he was stationed there.

And what is he doing now?

Naturally, important details still remain obscure. For that acquaintanceship could have been established either by the Communist ambassador's visiting the Jewish tycoon, or by Maxwell's visiting the Communist ambassador stationed there. Of course, they also could have just met casually. Somewhere in Soho. Or let us say in Piccadilly, if we wish to be more charitable.

Anyway, the important thing is that the deal had been concluded still before the free elections were held. Maxwell acquired a newspaper that previously had been the government's official organ. That was the purpose for which the paper had been founded, at a time when even the Communist government had been upset because only the Communist Party had newspapers of its own, but the government did not have any.

To conclude the deal in accordance with Hungary's rules on privatization, of course, the state-owned asset on the block had to be devalued.

That was done. But then why would the Grosz or the Nemeth government have needed a newspaper of its own when free elections were about to be held?

Maxwell took a strong liking to Gyorke. As soon as the new government relieved Gyorke of his post as ambassador, "with due recognition of the services he had rendered," he got the job with MCC. At present he is very busy and must be extremely careful lest the services he had rendered come to light. Now, for instance, he has to give interviews about the relationships of his former boss. He has to tie up all the loose ends. That is a difficult thing to do here in East Europe, where even the skeletons tend to turn up.

The corpse, poor Maxwell's, has turned up, naked as the day he was born. It was found floating in the warm waters off the Canary Islands, lonely as a godforsaken waif. Without roots. Regrettably lacking experience, we are unable to say whether a person can fall off his own yacht, and whether he is more likely to do so before or after a heart infarct. But we do find it somewhat strange that the crew was unaware of the owner's being unwell or of his desire to take a swim. If, for instance, the yacht had been at anchor—something that really is not possible in mid-ocean—one could have assumed that a 68-year-old male got a sudden urge to take a swim and dived into the waves, without telling anyone. But to do so when the vessel was underway would have been suicide, because in no time he would have been left behind and never found. There remains the childish contention that he was swept overboard by a wave. But what kind of yacht was that? And what kind of wave? Perhaps a wave made by an arms deal, or one created by the mountain of debt?

Mr. Gyorke claims that the Maxwell empire's debts are insignificant. "Anyone who speaks of losses is unfamiliar with how market economics operates." So spake Gyorke in his knowledge of market economics, gained at the

MSZMP Central Committee. But VILLAGGAZ-DASAG, in its 9 November issue, predicted: "With a total debt now estimated at 4.3 billion dollars, the days of Maxwell's makeshift empire are numbered."

However, all this has not brought us any closer to Maxwell's underlying motive for acquiring the newspaper. At most we know only that financial reasons, the hope of making a profit, did not support the acquisition. Unless we say that whatever Maxwell tossed into Hungary from his profits on arms deals was regarded by him as a long-term investment, and he merely shrugged off the initial losses.

Yes, that could have been it: a long-term, historical investment, from which only the Hungarian side profited initially. But which Hungarian side? Well, first of all Mr. Gyorke, the East European director. Admittedly, he must now earn his MCC salary the same way he had to earn his pay from the Kadar Corporation at the MSZMP Central Committee. Let us not overlook also the fact that MAGYAR HIRLAP's present editor in chief used to be the party secretary there. They, then, are the beneficiaries.

Thus the situation regarding motives becomes somewhat clearer. Maxwell—through Gyorke or much earlier, perhaps at the time when Maxwell was sentenced to death as a Jew on Slovak territory reannexed to Hungary (Gyorke is the source of that information as well)—developed a strong affection for Hungarian Communists. Evidently he had decided then and there to buy them a government newspaper at the earliest possible opportunity.

Well, for reasons beyond his control, Maxwell succeeded in buying them only an opposition newspaper.

Today MAGYAR HIRLAP is one of the financially strongest newspapers, paying the highest salaries and providing the best working conditions for its staff. It has a lineup of liberals of various shades ranging from Gyorgy Konrad to Janos Kenedi, and of little Maxwellists. Now nobody will ever be able to ask Maxwell, who had devoted his entire life to big deals, how this privatization and newspaper acquisition fitted in with the style of his other deals, and what strategic interests he foresaw in staking out a place for himself here in Budapest. But there had to be a connection. If a person who at one time staked his entire life and fortune on acquiring nuclear secrets for his hard-pressed kin buys a newspaper for someone in Hungary, it is difficult to imagine that he does not make also such an easy, small deal serve the same objective. Perhaps he thought that his kin are hard pressed here as well.

It was common knowledge that Maxwell liked to set his newspapers' editorial policies and occasionally would interfere even in how certain phenomena were to be presented. The story is being told that when Maxwell bought THE DAILY NEWS in New York, he mentioned that there was some anti-Semitism at the newspaper. That, in his opinion, was due to the paucity of properly circumcised males in the editorial office (NEWSWEEK,

April 1991). That, of course, was said in jest. Maxwell must have known that in America even Protestant males are circumcised.

But jokes aside, the man who had left this area 50 years ago with horrible experiences and amidst death threats, and who in the meantime had been working on the realization of the most important Jewish objectives, accurately recognized the epochal change taking place in Central Europe. And he also intervened in that change in his own way, by acquiring a newspaper in Hungary and setting the direction of its editorial policies.

Perhaps that direction can best be summed up as follows: liberalism that dissolves and even eliminates Hungarian nationalism, but not Hungarian national liberalism under any circumstances. Let the Hungarians finally turn toward cosmopolitanism! The best example of this way of thinking is a phrase we are quoting, for the sake of variety, from the Saturday issue of NEPSZABADSAG. Characterizing the national commitment of people who vote for the SZDSZ [Alliance of Free Democrats] and FIDESZ respectively, the Gyorgy Csepeli and Peter Gyorgy duo writes: "...people who glance at their passport when they are interested in their nationality."

Well, yes. Today it is possible to go even this far to hammer in national indifference. Some people are now attempting to present national indifference as the yardstick of Europeanness.

Obviously, this is also the source of the SZDSZ's present crisis. Party members and the electorate are finding a glaring contradiction not only between the militant anti-communism of the election promises and the party's present politics of finding excuses for the Communists, but also between the red, white and green birds on the one hand, and the present cosmopolitanism and Maxwellianism on the other hand. A causal link between Janos Kis's resignation and Maxwell's fall into the ocean has to be ruled out already because the sidelining of Kis occurred first, and it would be difficult to imagine that, in his sorrow over the SZDSZ leader's decision to step aside, the press tycoon....

But the roots are common, namely the exposure of a policy direction, and the impossibility of continuing to use a double standard. What was that double standard?

At MAGYAR HIRLAP and his other newspapers Maxwell ordained and enforced the direction of editorial policy described above. A Hungarian should find out what his nationality is only by consulting his passport. Born somewhere along the Vag [Vah] River [as published], Maxwell himself subsequently served the king of England, built a publishing empire in London, expanded it to cover half the globe (he had important interests also in Germany) and acquired a newspaper in Hungary. But all along he was helping Israel become a nuclear power and was serving the most sacred Israeli objectives with utmost dedication. He died in the ocean off the Canary Islands. An autopsy was performed on him somewhere.

Then he was given a magnificent state funeral in Jerusalem. And that is an honor the Israelis do not bestow upon just anyone.

There comes to mind the course of another life. There lived here a populist writer who opposed fascism, emigrated to London after the war, served the British Empire with his pen and voice, wrote books about Shakespeare, and then came home to his native land to die, bringing with him his library, the only thing he loved. He was Laszlo Cs. Szabo and is buried in Sarospatak.

Of course, many other interesting things only partially related to all this also happened in world politics.

#### Demszky: Agreement With Toronto on Expo Possible

92CH0184D Budapest NEPSZABADSAG in Hungarian  
22 Nov 91 pp 1, 4

[Article by Peter Sereny: "Demszky: Toronto Would Be Grateful"]

[Text] "Should the Hungarian Government decide in the negative in regard to the Expo, Toronto—the city potentially next in line to announce its intent to hold an exposition—would be prepared to make some grandiose gestures toward Budapest," Lord Mayor Gabor Demszky said to this NEPSZABADSAG reporter.

The lord mayor—on a North American speaking and negotiating tour concerning Budapest's development concept—responded to this newspaper's questions on Thursday.

Demszky stressed that in making this offer Toronto Lord Mayor Eagleton has indicated that under no circumstances would he want to interfere with ongoing debate in Hungary relative to the Expo. He requested his colleague, however, to convey a message to the Hungarian Government: Toronto is recommending the commencement of immediate negotiations concerning the concept if Hungary were to decide in the negative. This would not be a joint world exposition of course, instead, Budapest would be the scene of a festival taking place simultaneously with the Toronto events, and the two continents would be bridged by charter flights.

"I will talk to Minister Bela Kadar immediately upon my arrival in Budapest," Demszky added, stressing that the Toronto offer was made in a rather serious vein. Before coming to Toronto the lord mayor paid a visit in Montreal to sign an agreement with Berma-Rasko, one of the most strongly capitalized Canadian investment firms interested in taking part in the Capital development plan (the Kozraktar Street-Main Market, Ferencvaros rail yard, Karoly Boulevard project). As Demszky said, the agreement pertains to preparatory work regarding various projects. He is forming a four-member working group (composed of architects, economists, and investors) for this purpose.

When asked about the manner in which the Canadian firm expressed an interest in Budapest investment opportunities, the lord mayor said that during his visit to Montreal last spring he presented the Capital City's development concept at the request of the Hungarian-Canadian branch of the economic chamber. After the presentation the Canadian firm—whose officials subsequently made a study trip to Budapest—expressed interest. On this occasion Demszky brought along the English translation of the detailed development program. The agreement was reached on the basis of this document, after the above-mentioned events.

At press time, Demszky is meeting with his Boston counterpart and will make a presentation of a similar character at a World Trade Center conference on East-Central European investment opportunities.

### Role of Constitutional Court Discussed

#### Justice Solyom Interviewed

92CH0200A Budapest MAGYAR HIRLAP  
in Hungarian 14 Nov 91 p 13

[Interview with Constitutional Court Chief Justice Laszlo Solyom by Agnes Marvanyi; place and date not given: "Constitutional Courts in Parliamentary Democracies; Laszlo Solyom: 'A Constitutional State Does Not Use Methods It Condemns'"]

[Text] [Marvanyi] The Constitutional Court found itself in a rather difficult situation during the past year and a half. They tried many times to present to the Court political issues cloaked in legal terms and to make the court decide important issues the consequences of which neither the government nor parliament were willing to accept. Have you gotten over this crisis?

[Solyom] We endeavored to resist whenever the government or parliament tried to make us decide an issue which they could have decided under their own powers. One cannot avoid situations, however, in which political issues of great importance turn into constitutional issues and thus come before this body. A constitutional crisis may be avoided by transforming a political issue into a legal issue that then can be resolved clearly based on the Constitution. The existence of the Constitution and constitutional oversight regarding the transition had a lot to do with the fact that this Court has treated matters with a "white glove," and this kind of treatment continues to this date. This factor gives weight to the Constitutional Court abroad. Thanks to this, we were also accepted as members of the Conference of European Constitutional Courts not too long ago.

[Marvanyi] The compensation issue has been dealt with by the Constitutional Court, and it is likely that Court will not be able to escape the issue of doing justice either. Several organization plan to seek constitutional review

of [Hungarian Democratic Forum (MDF) representative] Zetenyi's law. What principles does the Court apply with respect to these essential issues presented by the system change?

[Solyom] There is not specific case before us, but we expect such cases to be filed, and for this reason I am unable to make a statement in this regard. But our practice thus far should provide an indication of our perception. A constitutional state acquires dignity by not using methods it condemns. Our greatest dilemma with respect to the compensation law was the extent to which we should consider the peculiar character of the historical situation, because based on a narrow, dogmatic, legal interpretation we would have had to either provide full compensation for everything and to everyone, or deny compensation to everyone. We chose the third path when we sided with novation, the renewal of the state's obligation to provide compensation. This meant that in the present, peculiar historical situation we recognized the validity of claims for compensation. Compensation, however, amounts to a renewal of an obligation, i.e., it takes place on the basis of a newly established right, and therefore one can no longer invoke the old rights. In its decision the Constitutional Court has taken a position according to which we should transcend the past and instead turn toward the future, and that we also regard symbolic compensation as closing the books on the past.

[Marvanyi] The fact that the Constitutional Court intends to change its organic act that governs the functioning of the court has been mentioned a number of times. But no proposal to amend that law has been submitted to parliament to this day. In general, who has the authority to introduce such a legislative proposal in parliament?

[Solyom] Originally, this idea started out by combining procedural rules applicable to the Constitutional Court with amendments to the organic act of the Court, and the combined proposal would have been submitted to parliament by the [National Assembly] Committee on the Constitution. This was deemed to be appropriate because the MDF faction felt that it would be preferable to submit to parliament proposed amendments of this caliber through the Cabinet. Our position remains unchanged, we feel that it would be most appropriate to have the Committee on the Constitution introduce these amendments. Meanwhile, even after a year and a half of functioning, the Constitutional Court has internal rules of procedure only, and no publicized rules exist. Unless this debate comes to an end and if submission of the draft is further delayed, we will publish our rules of procedure in MAGYAR KOZLONY, to inform the public.

[Marvanyi] On the other hand, you have no way of changing the Law on the Constitutional Court other than through parliamentary action.

[Solyom] This is true, but we are able to help ourselves. The Constitutional Court is a precedent setting court

whose main function is to establish dogmas in the field of constitutional law. Fundamental theses like the opportunity for positive discrimination or conditions of proportionality and inevitability become crystallized in the course of decisions. For example, in providing legal remedy in an individual case by declaring an inferior court's decision which has violated a fundamental right null and void, we have given meaning to the institution of filing a complaint based on the Constitution. In several respects we narrowed our own scope of authority as a result of our decisions. In the end we are inching forward without amendments to the law in the direction which we could have followed more easily with amendments to the law.

[Marvanyi] Is there a need for a new constitution in the present election cycle?

[Solyom] Our present Constitution, as amended, actually serves as a basic law for a conservative transformation: It contains only the stable, unquestionable theses. It is appropriate as a fundamental law in a constitutional state and a democratic parliamentary system, but one could not say that it could not be better. In my view it was wise for us not to begin a formal constitutional drafting process during the roundtable days. Since then, however, the new system has become solidified, it would be possible to begin scientific preparations and establishing theoretical foundations for a new constitution. But I am not even aware of theoretical preparations, therefore I do not regard as realistic any endeavor on part of parliament to draft a constitution.

[Marvanyi] The former western prisoners of war recently protested for not having received payment for the dollar value of the checks they received, whereas a Constitutional Court decision obligated the government to do so by 31 December 1990, at the latest. What consequences ensue if the Court's decisions are not obeyed?

[Solyom] In our practice thus far we designated reasonable time limits for the implementation of our decisions. Had we required overnight enforcement of our decision concerning personal identification numbers we could have upset the entire record keeping system of the country. But we did not require immediate enforcement, we allowed time for the transition. If, however, we find that authorities do not take our deadlines seriously, we will annul laws with an immediate effect. This is the main rule according to the Law governing the Constitutional Court.

[Marvanyi] Many people feel that the Constitutional Court is slow in its work. For example, trade unions expected a decision concerning trade union assets by the end of August, but the proposal is still not on the Court's agenda. What time frame can be expected by affected parties?

[Solyom] The 2,000 petitions we received thus far would provide us work for years, even if we did not receive any more petitions. Thus no organization could seriously believe that the Court would render an opinion by the

date perceived by that organization. In some countries it takes eight years for the constitutional court to render a decision. Due to this excessive workload many European constitutional courts would like to follow the example set by the United States, where the Court is able to select from among cases according to their significance, and is not obligated to accept all cases. European parliaments, however, do not support initiatives to this effect. Even though considering the mass of petitions, in the final analysis it is the court that selects the important cases which it treats as priorities.

#### Minister Balsai's View

*92CH0200B Budapest MAGYAR HIRLAP  
in Hungarian 14 Nov 91 p 13*

[Article by Agnes Marvanyi: "From the Justice Minister's Viewpoint"]

[Text] Minister of Justice Istvan Balsai viewed the functioning of the Constitutional Court from the government's standpoint. He said that the relationship between the government and the Constitutional Court was proper and professional. On the other hand, the obligation to implement in practice certain Constitutional Court decisions causes serious concern and professional problems. Restricting the use of personal identification numbers, or the obligation to establish administrative law adjudication by a certain deadline causes a number of problems to the government in terms of organizing work, not to mention the effect of these on the budget.

The minister of justice mentioned that the apolitical character of the Constitutional Court must not be interpreted to mean that the Court's decisions have no political content. In its decisions the Constitutional Court must interpret politics. But when it comes to decisions the Court must not be influenced by political considerations.

We asked Istvan Balsai whose function it would be to introduce to parliament the Constitutional Court's rules of procedure and the amendments to the Law governing the Constitutional Court. The minister said that the government was authorized to introduce legislation. Thus the legislative proposals concerning the courts or the prosecutors' office have also reached parliament by way of the government.

In general, legislative proposals pertaining to parliament are introduced by National Assembly committees. Although the Cabinet has not dealt with the matter of submitting legislative proposals related to the Constitutional Court, Istvan Balsai believes that they should follow the usual path.

#### Salamon's View

*92CH0200C Budapest MAGYAR HIRLAP  
in Hungarian 14 Nov 91 p 13*

[Article by Agnes Marvanyi: "Is There a Need for a Constitutional Court in a Constitutional State?"]

[Text] National Assembly Committee on the Constitution and Law Chairman Representative Dr. Laszlo Salamon examined the Constitutional Court from the vantage point of parliament. Although he is expected to express his opinion at the conference only today [14 Nov], he already told this newspaper that in his view it would be of fundamental importance to analyze whether constitutional courts are necessary elements of constitutional states. Laszlo Salamon found that in most instances countries that have previously experienced dictatorships choose to establish constitutional courts. On the other hand, in several constitutional states, such as in Great Britain, the Netherlands, and Sweden, they are not following this practice.

In Hungary, every participant at the roundtable negotiations reacted to the dictatorship when endeavoring to fulfill the requirements of constitutional statehood and building into the system a constitutional court as a safeguard. The fact that theses contained in high-level legal provisions have been significantly infringed upon by lower level legal provisions during the decades of dictatorship probably played a role in reaching this decision. In vain did they declare civil rights, when, for example, the passport law and various decrees substantially restricted the freedom to travel.

Laszlo Salamon regards the possibility of synchronizing the Constitution with social and economic changes as questionable. How could the National Assembly respond to an expectation for implementation of qualitative changes, how could parliament maintain unbroken legal continuity in the meantime? Although it is true that if as a result of the Constitutional Court's adherence to the Constitution a decision conflicts with reality, with the expectations expressed by changing social and economic processes, the National Assembly is able to change the Constitution so as to respond to such expectations. Too often, however, changing the Constitution is not a fortunate choice. With respect to the authority of the Constitutional Court and of the National Assembly this question arises: What can and what cannot be resolved by interpreting the Constitution? The Constitutional Court could make the mistake—and it actually did make that mistake according to Laszlo Salamon—of framing the Constitution, instead of interpreting it. Situations could occur when it is impossible to clarify a problem in the course of interpreting the Constitution; in such cases the Constitutional Court should call attention to the fact that in regard to such matters the Constitution has failed to provide guidance and that this gap had to be filled. Instead of doing so, however, the Court read more into the Constitution than what the Constitution actually provided for in regard to the death penalty. At the same time, the chairman of the Committee on the Constitution recognizes endeavors by the Constitutional Court not to take over functions from the National Assembly which must be performed by legislators.

Responding to our question Laszlo Salamon said that parliament found itself in a difficult situation insofar as violations of the Constitution stemming from failures to

act were concerned. Hungarian legislators create about four times as many laws as parliaments in other countries, and thus they have difficulty in complying with various expectations tied to deadlines.

The chairman of the Committee on the Constitution believes that it is not necessarily the Committee's task to introduce legislation in parliament concerning rules of procedure for the Constitutional Court and amendments to the organic act of the Court. This is so because the Committee is unable to deal with codifying work, and plans drafted by the Constitutional Court in this regard may be viewed by the Committee only as work papers, at best. Although the Committee has not yet decided whether it would introduce the legislative proposal in parliament, the chairman is of the opinion that this could also take place through the usual channels, i.e., by way of the Ministry of Justice and the Cabinet.

#### Ex-Communist Ambassador to Moscow Recalled

92CH0184A Budapest MAGYAR HIRLAP  
in Hungarian 22 Nov 91 p 1

[Article by Cs.M.: "Hungarian Ambassador to Moscow Recalled"]

[Text] Hungarian Ambassador to Moscow Sandor Gyorke is being recalled from his post, MAGYAR HIRLAP has learned from diplomatic sources. The report has been confirmed Thursday [21 Nov] by Foreign Ministry spokesman Janos Herman, who told MAGYAR HIRLAP that relieving Sandor Gyorke of his duties as ambassador to Moscow was in progress. Gyorke has been on foreign assignment for six years. His appointment terminates with the completion of customary official proceedings.

Gyorke, 59, completed his studies in economics in Leningrad. He began his career in the foreign service as a Soviet Division staffer in 1956 on Bem Quai. His assignments to Sofia and Warsaw were followed by an appointment to the Secretariat of the Council of Ministers, where he worked with Deputy Prime Minister Antal Apro, at Apro's request. Gyorke returned to the foreign service in 1966: He was posted in Prague and Belgrade. Beginning in 1978 he first served at the socialist global system desk, and later became head of the division which dealt with South European countries. In 1985 he was appointed ambassador to Belgrade and was reassigned from that post by the Nemeth government to become ambassador to Moscow in 1989.

Sandor Gyorke has been a member of the MDP [Hungarian Workers Party] and the MSZMP [Hungarian Socialist Workers Party]; in 1989 he joined the MSZP [Hungarian Socialist Party]. But as he underscored several times: As an ambassador he performed his functions "on a nonpartisan basis consistent with principles of fairness."

Gyorke speaks five languages. Although the Antall government reaffirmed him in his position in 1990, rumors

of his recall have spread several times since. This has taken place, at last. Gyorke did not wish to comment on his recall.

### **Communist Trade Union Official Reelected**

*92CH0184A Budapest MAGYAR HIRLAP  
in Hungarian 25 Nov 91 pp 1, 3*

[Article by Edit Osz: "Sandor Nagy Has Once Again Been Elected To Serve as National Federation of Trade Unions Chairman; Ultimatum to the Government"]

[Text] President of the Republic Arpad Goncz honored the MSZOSZ [National Federation of Trade Unions] with his presence on Saturday morning. In his speech he attributed decisive significance to tough, principled interest mediation and regarded trade unions as the sole means by which peace in society could be maintained and tensions could be reduced. Clashes are unavoidable in the course of enforcing interests, the head of state said. Such clashes, however, spark hopes in the ability to successfully manage the crisis. In an overheated political atmosphere, when people are struck by the depressing burden of economic concerns, large masses of employees rely on trade unions. The president repeatedly voiced his belief that reconciling differences between trade unions and joining activities to protect employee interests represented an important existential societal issue. Before the president's speech delegates adopted amendments to the Federation's charter to increase the number of persons with decisionmaking authority within MSZOSZ by including the treasurer and the members of the executive committee as members of the board. On the other hand, the number of issues requiring consensual decisions has been decreased, thus establishing a possibility for minority views to prevail.

Henceforth the Committee on Strikes will also act on the basis of authorizations received from the board, and the executive committee may be convened in a matter of hours. A majority of the member organizations must participate in deciding to call a strike while financial matters require the approval of a two-thirds majority of the Federation Council.

The chairman of the financial control committee has been added to members of the congress enjoying full voting rights, and the body of the Federation's Congress [as published] has been expanded by adding the members of the executive committee which functions as an implementing body.

The MSZOSZ Congress also determined the organization's future course, and the ways in which it should accomplish its goals. Delegates approved a draft program which specifies the Federation's political stance and demands. Vice Chairman Laszlo Sandor recalled in detail the bitter experiences of the past year and a half which necessarily resulted in a lack of confidence in trade unions and which in turn compel MSZOSZ to pursue power politics. This means that based on the adopted program MSZOSZ intends to open its "first

battlefield" at the negotiating table within 10 days to begin fighting for employee interests, and would like to close the year with tangible results. MSZOSZ plans to declare war on the government by calling a strike if dialogue fails. MSZOSZ will not act alone in this instance, but jointly with the rest of the trade union federations. As of now they are awaiting word from the League of Democratic Trade Unions and the workers councils concerning their support.

The League has already provided an assurance in principle to its chief rival of its support, but has yet to manifest a sign of a real approach. As of now, the workers councils' position is not known. MSZOSZ delegates present were preoccupied mostly with the newly established VIKSZ [expansion unknown].

The election of the highest ranking officers of the Federation by secret ballot was the last item on the agenda. By winning 501 of the 505 valid votes, Sandor Nagy has once again been voted confidence to serve as chairman; Vice Chairman Laszlo Sandor and Financial Control Committee Chairman Gyula Sas have also been reaffirmed in their positions by similar margins.

The Congress reaffirmed its demands of 4 September and called upon the government to enter into substantive negotiations within 10 days. The following issues have been designated as subjects of negotiations:

1. Employment policy means and resources, alternative ways to terminate crisis centers and to reduce tensions in various regions and industry branches.
2. Possible avenues to reduce existential concerns; the mutual relationship between wages, inflation, and tax policy.
3. Issues related to privatization that need to be conceptualized and that require regulation by law.
4. Opportunities to improve welfare security and social security; state social welfare policy tasks.
5. The most important tasks relative to the protection of intellectual and cultural values.
6. Development of an interest mediation mechanism and labor relations, and the establishment of legal guarantees regarding the collective and individual rights of employees.

### **'Political Trials' Against Communists Considered**

*92CH0108A Budapest HETI VILAGGAZDASAG  
in Hungarian 26 Oct 91 pp 72-74*

[Article by Endre Babus: "They See Stars: New Political Trials?"—first paragraph is HETI VILAGGAZDASAG introduction]

[Text] After hesitating for several weeks, the government has finally come out in favor of the Zetenyi proposal. In other words, it is willing to bring to trial those suspected

of murder, treason, and breach of faith 20-25 years ago. The draft bill affects one-tenth of parliamentary representatives who, as political opponents of the future defendants, spent part of the last few decades in some penal institution. The latter nevertheless seem more lenient than their "unpersecuted" colleagues.

Can it be that legal action against 84-year-old Gyorgy Marosan is just around the corner? With another 50 political trials to follow? What two years ago seemed to be the idea of only a few obsessed seekers of truth has meanwhile been accepted by the biggest parliamentary party's national committee and a majority of coalition representatives. Last week the chances of implementing the proposal, known as the Zetenyi plan, further improved when the government, a few of whose members had earlier expressed doubts, finally came out in favor of the bill. From remarks dropped by parliamentarians, however, we may conclude that in the campaign, which some representatives say could consist of roughly 50 criminal trials, to dispense justice retroactively the lead role will likely be played by the notorious Gyorgy Marosan, cohort of first Rakosi, then Kadar.

Nevertheless, the actors who debate the extraordinary penal law bill have been very oddly cast. For example, while the draft bill that urges subsequent dispensation of justice was submitted to parliament by two MDF [Hungarian Democratic Forum] representatives who never experienced retaliation of any kind during the former political manhunts, one who was condemned to death in 1956, Imre Mecs, rejected the bill in parliament because, in his opinion, new political trials would only create scapegoats. The representative thinks the wounds caused by dictatorship are far too deep to be cured by a few criminal trials on Marko Street. The representative is one of not just dozens but hundreds of thousands of persons who dwell on the responsibility of intellectuals. He asks where the manuscripts are which prove that the scribes—at least for their desk drawers—concocted the trauma of 1956. Instead of promising new criminal trials, Mecs prefers to cite the example of Spain where a church was hewn in stone in the Valley of the Fallen as a memorial to all victims of the civil war.

Several times the parliamentary debate has seemed to be a clash between the "peaceable generation" that urges calling offenders to account and the former prisoners of 1956 who push for reconciliation. For example, MDF chief spokesman Fabian Jozsa, born in 1958, maintains the draft bill is constitutional, while Attila Nagy, sentenced to multiyear imprisonment in 1958, says the Hungarian Republic would start to resemble a dictatorship of the proletariat if the extraordinary legal measures employed in previous decades were employed now.

It is evident that the power and justice of the representatives' arguments are not necessarily directly proportional to how much they are personally affected by this extremely sensitive issue. Still, it is remarkable that last Tuesday no coalition party members previously vilified for their political conduct hurried to be the first to

recommend approval of the bill. At least 11 members of the MDF, eight of the Smallholders' Party, and two of the Christian Democratic Party hold seats in the parliament. It is difficult to rid oneself of the impression that some members of parliament who spent time in prison precisely perceive how erroneous a path Hungarian justice would enter if an attempt was made to elucidate cases 30-40 years old by retroactively changing the Penal Code.

Few things could have jeopardized the draft bill more than what was revealed about one of the persons who introduced it: 10 years ago, Peter Takacs sang hymns of praise to the Russian Revolution of 1917. The situation is all the more awkward because this is not the first such case in MDF history. The public was first informed that in 1984 Erno Raffay threatened to report a librarian colleague to the police. It was later disclosed that Gabor Tamas Balla, parliamentary representative from Budapest's 17th District, transformed himself from an atheistic author of textbooks into a man of deeply religious convictions during the months the regime was changing.

All this, of course, does not alter the fact that parliament will make one of its most crucial decisions when it votes on the Zetenyi proposal. Several of those vilified in the 1940's and 1950's really demand trials, punishments, and compensation from the murderers and accomplices still living—how, the parliamentary representatives themselves can uncover at their political meetings. According to those who submitted the bill, nothing is simpler than the retroactive administration of justice: You just have to change the start of the statute of limitations from 21 December 1944 to 2 May 1990. Precisely the way it was done after the war when the start of the statute of limitations on homicides committed in 1919 and thereafter—no prosecution was possible in the Horthy era for political reasons—was shifted to 21 December 1944. Zetenyi backers deny that this solution mirrors a vindictive or barbarian concept of law. They point out that in the penal codes of several West European states—for example, Austria, Italy, and the Federal Republic of Germany—there is never a statute of limitations on murder: The "technical" dilemma we face here would not even arise there.

The opposition camp—representatives who reject an arrangement of new trials similar to those of 1945 and 1956—argues that the Hungarian Republic can regard itself as a constitutional state only if it remains faithful to its own laws and that to make a criminal law more stringent retroactively is to shatter the soundness of the entire legal system. This argument has so far fallen on deaf ears. (In Hungary, by the way, 15 and sometimes 20 years was the statute of limitations on the most grievous crimes—murder, for example—up until 1950 and then from 1971 to the present.)

In the days prior to free parliamentary elections, 72 Hungarian intellectuals, from Istvan Eorsi to Domokos Kosary to Laszlo Mensaros to Szilard Ujhelyi, issued an appeal in which they said: "In the new, democratic

Hungary there must be no political trials reminiscent of bygone systems." Seven of the signatories now serve as parliamentary representatives. Thus far it appears that only one, Independent Janos Denes, has revised the position he took last year. The other representatives—Aliz Halda, Kalman Keri, Bela Kiraly, Imre Mecs, Miklos Vasarhelyi, Tibor Zimanyi—though they belong to the two major rival parties, have meanwhile given no sign of changing the position they took last year. It is unlikely, however, that this will be crucially important in the future.

The fate of the Zetenyi proposal appears somewhat unpredictable at the moment. At least that is the conclusion one may draw from the reaction to MDF parliamentary representative Lukacs Szabo's proposal in March that the murderers and accomplices of 1956 be brought to trial. The statute of limitations on these crimes elapsed in 1971. There is therefore no legal opportunity to institute criminal proceedings, said chief prosecutor Kalman Gyorgi, but a huge majority of representatives (129 to 47, with 37 abstentions) rejected his answer. The Zetenyi bill avoids legal obstacles caused by the statute

of limitations, and preliminary signs suggest the bill will be approved by Parliament. It appears that few representatives wish to heed the advice of Imre Bekes, a Budapest professor of criminal law, who said early this year about the draft bill under discussion: "Instead of dispensing justice, let us bear in mind what Churchill said. Accordingly, we must display intrepidity in war, defiance in defeat, magnanimity in victory, and benevolence in peace."

[Box, p 74]

#### Parliamentary Representatives With Criminal Record

Our compilation is based exclusively on data revealed by parliamentary representatives about themselves partly in answer to our questions but mostly in articles and interviews published thus far. In addition to those sentenced to prison, we list those who suffered from official measures that directly restricted personal freedom. We have not listed numerous other forms of political retaliation—for example, expulsion, suspension, prohibition from performing work—because it is more difficult to trace these losses of, or restrictions on, freedom.

**Parliamentary Representatives With Criminal Record**

| Party, Name               | Term (Start) of Punishment | Punishment                              |
|---------------------------|----------------------------|---|
| FKGP, Sandor Bejczy       | 1957                       | relocation                              |
| FKGP, Antal Belafi        | 1950's                     | prison                                  |
| FKGP, Laszlo Horvath      | 1957                       | prison, relocation                      |
| FKGP, Bela Kovacs         | 1948, 1956-59              | prison                                  |
| FKGP, Laszlo Kovats       | 1950's                     | prison                                  |
| FKGP, Bela Mizsei         | 1956-63                    | sentenced to death, then life in prison |
| FKGP, Varga Dezso Nagy    | 1950-53                    | relocation                              |
| FKGP, Istvan Prepelczay   | 1955-56                    | prison                                  |
| Independent, Janos Denes  | 1957-63                    | prison                                  |
| KDNP, Janos Herczeg       | 1948-56                    | solitary confinement                    |
| KDNP, Ferenc Inotai       | after 1956                 | 20 months detention under remand        |
| MDF, Jozsef Antall        | after 1956                 | detention under remand                  |
| MDF, Pal Fekete           | after 1956                 | 8 months detention under remand         |
| MDF, Lajos Fur            | 1956                       | 3 months relocation                     |
| MDF, Jozsef Kapronczay    | 1949                       | 3 days detention under remand           |
| MDF, Kalman Katona        | 1971                       | 6 months prison                         |
| MDF, Kalman Keri          | 1950's                     | relocation to Hungarian, Soviet camps   |
| MDF, Mihaly Kupa          | 1958                       | 10 months prison                        |
| MDF, Borzsoky Jozsef Nagy | 1957                       | 6 months detention under remand         |
| MDF, Ivan Szabo           | 1957                       | detention under remand                  |
| MDF, Laszlo Szendrei      | 1957                       | 8 months prison                         |
| MDF, Istvan Szucs         | after 1956                 | deportation to Soviet Union             |
| MDF, Bela Vizy            | 1956-59                    | prison                                  |
| MDF, Tibor Zimanyi        | 1945                       | detention under remand                  |
|                           | 1948-56                    | 3 years prison                          |

**Parliamentary Representatives With Criminal Record (Continued)**

| Party, Name              | Term (Start) of Punishment | Punishment                              |
|--------------------------|----------------------------|---|
| MSZP, Attila Nagy        | 1957-61                    | prison                                  |
| SZDSZ, Ivan Darvas       | 1957-59                    | 2 years prison                          |
| SZDSZ, Alajos Dornbach   | 1959                       | 2 months detention under remand         |
| SZDSZ, Miklos Haraszti   | 1973                       | 8 months prison (suspended)             |
| SZDSZ, Gabor Ivanyi      | 1970's                     | prison sentence (suspended)             |
| SZDSZ, Bela Kiraly       | 1951-56                    | sentenced to life in prison             |
|                          | after 1956                 | sentenced to death in absentia          |
| SZDSZ, Ferenc Koszeg     | 1957                       | 2 months detention under remand         |
| SZDSZ, Imre Mecs         | 1958                       | sentenced to death, then life in prison |
| SZDSZ, Istvan Vass       | 1956                       | reformatory work                        |
|                          | 1962                       | prison                                  |
|                          | 1980                       | prison                                  |
| SZDSZ, Miklos Vasarhelyi | 1956                       | deportation to Romania                  |
|                          | 1957-60                    | prison                                  |

Note: FKGP - Independent Smallholders' Party

KDNP - Christian Democratic Peoples Party

MDF - Hungarian Democratic Forum

MSZP - Hungarian Socialist Party

SZDSZ - Alliance of Free Democrats

**Ownership of Satellite Television Debated**

*92CH0184F Budapest NEPSZABADSAG in Hungarian  
25 Nov 91 p 5*

[Unattributed report: "To Whom Is Satellite Television Going To Belong?"]

[Text] A small group of professionals is going to decide at an interministerial confidential discussion this morning whether Hungarian television shows will be broadcast by satellite in the near future, i.e., whether there will be a new channel of a rather commercial character that is independent from the Hungarian Television as a public service medium, and if so, to whom it should belong.

This issue is sensitive and important because in principle (from a technical standpoint), the reception of this program via satellite could also be received without disturbance in neighboring countries, i.e., there may come about a program targeted for Hungarian minorities. On the other hand, the English and German versions of the program could be received on one of the stereo channels—widely used in Western countries—(presumably rather quickly, according to one offer), which would then make available the services of the enterprise throughout Europe, and would also convey Hungarian programs (and views) to many people in Central and West Europe.

According to reports, the first offer that has been received does not seek state support; it is based mainly on Western (American and German) capital, advertisers, and the unused capacities of Hungarian film production. Another plan has been submitted by persons close to the government; public education considerations play a more prominent role in this concept.

One of the offers stipulates the use of an already existing satellite whose radio channels would broadcast the Hungarian, Romanian, Slovak, and Serbo-Croatian programs of a prestigious western broadcaster. The other concept would use a satellite yet to be launched. Although the leasing fees of that satellite would be lower, its broadcasts could be received by television sets generally used in our region only after certain technical changes.

**Zetenyi on Suspending Statute of Limitation**

*92CH0184G Budapest MAGYAR HIRLAP  
in Hungarian 11 Nov 91 p 4*

[Article by A.Gy.L.: "Doing Justice: Zetenyi Counts On Intervention by President Goncz"]

[Text] Hungarian Democratic Forum [MDF] representative Zsolt Zetenyi believes that President Arpad Goncz is likely to ask the Constitutional Court to review the recently adopted law concerning the administration of justice. The president has an opportunity to do so within 15 days from the date of the adoption. This deadline expires on 21 October [as published] when Goncz returns from England. He is departing to England on the 17th.

The MDF representative—one of the sponsors of the law—discussed this assumption before a public forum in Szeged on Saturday. Just as his two fellow representatives Jozsef Bratinka and Jeno Poda have already done, Zetenyi, too, ruled out the possibility of a witch hunt, of taking revenge on a mass basis, and said that at issue was simply the need to hold to account within legal limits the chief criminals of the failed system. In Zetenyi's view the

new law does not conflict with the Hungarian Constitution or with international law. According to arguments—termed legal policy arguments—presented by the representative the law is suitable to reassure and to restore self-confidence in the "... people who have been trampled on, humiliated, and made a little bit malicious." Following a discussion of the nature of revolutions and counterrevolutions, as well as of levels of power Zetenyi spoke of the international atmosphere and said that this law could not have been adopted as long as Soviet troops were stationed in Hungary. The representative had this to say about the staff that is supposed to enforce this law: "... we have some decent judges, prosecutors, and policemen, and there will be stormy changes in this field. And we will see to it that these changes take place. Because this is one of the expected outcomes of this law...." Zetenyi also spoke of plans and concepts according to which the Prosecutor's Office would once again be integrated with the Justice Ministry staff and mentioned competing applications to be submitted by chairmen of the various courts based on a new system. This new system would grant "significant discretion to the minister in making decisions." Responding to a question Zetenyi said that this is how the authority of the interior minister to direct the police "... must be smuggled back."

Responding to another question concerning archives Zetenyi declared that the archives contain not only the secrets of the leading communist criminals, but also documents pertaining to certain individuals active in today's political life, people who stood as defendants before courts of law in those days. Zetenyi did not specify whom he had in mind. (It is known that a vast majority of today's active politicians and writers who had been convicted in the aftermath of 1956 do not side with the government coalition of today.) A number of meeting participants regarded the law as having come too late, others complained about the fact that the law was too soft. Zsolt Zetenyi endeavored to present arguments to refute both suppositions.

#### **Teachers Union Scores Budget as 'Antieducation'**

92CH0184E Budapest MAGYAR HIRLAP  
in Hungarian 25 Nov 91 p 5

[MTI Report: "Democratic Trade Union of Educators' View: Proposed Budget Law Is Against Education"]

[Text] Next year's proposed budget is against education, a PDSZ [Democratic Trade Union of Educators] conference assessing the 1992 budget and next year's public education situation was told Saturday.

To support this view PDSZ executive Zoltan Pokorni stressed that next year's projected state funding would cause an irreversible disintegration of the Hungarian educational system. For this reason a fundamental structural change must be accomplished with respect to the budget, according to the PDSZ position. They found that the 10 December deadline established by the Ministry of Culture

for the closing of debate over the public education law was extremely short. Conference participants stressed that the proposal should come before parliament only after a societal consensus has been reached, and that therefore the legislative proposal should receive at least as broad a professional and public review as the Gazso concept had.

Critics of the concept claimed that the role to be played by central management was too great. They regarded regional educational centers as "extensions of the Ministry's tentacles," particularly because both the directors and the employees of these centers would be appointed by the minister.

In contrast, they expressed satisfaction over the fact that the concept established maximum limits for the burden to be borne by both students and teachers, even though they expressed concern that this might lead to possible unemployment among educators.

#### **Policemen Dismissed for Taking Bribes**

92CH0184C Budapest MAGYAR HIRLAP  
in Hungarian 23 Nov 91 p 4

[Article by K.L.: "Investigation at Traffic Enforcement; Policemen Took Money Under the Table"]

[Text] Twenty-nine policemen have been dismissed from the Accident Investigation Subdivision staff of the Budapest Police Command [BRFK] Traffic Enforcement Division because reasonable grounds exist to believe that they have accepted bribes in the performance of their official duty, it was disclosed yesterday at a BRFK press conference. National Police Chief Sandor Pinter said that they have discovered certain anomalies while studying the organizational structure of police, and that these required further internal examination.

In the course of these studies a suspicion to the effect that accident investigators have accepted bribes from towing firms has been substantiated.

Acting Budapest Police Chief Janos Bodracska had this to say about the details of the case: Accident investigators ensured work for tow truck operators with whom they maintained close relations by summoning these to most accident scenes. In countless cases the investigators approved substantially longer than the actual waiting period to be charged by towing contractors and the BRFK has paid for the excess time.

As a result of this scheme tow truck operators obtained 3,000 to 4,000 forints in excess funds on each occasion. Of these funds they paid amounts ranging from a few hundred forints to a thousand forints to the policemen. Accordingly, citizens have not been shortchanged in this instance, because they only paid for services starting with the actual towing.

Almost every accident investigator was involved in this criminal act; thus, at present, only nine noncommissioned officers perform accident investigations.

To replace the missing men, officers previously assigned to perform accident investigations have been reassigned to the subdivision, and the training of 30 additional noncommissioned officers has begun today.

Similar manipulations may be involved in towing vehicles from no parking zones. There is no proof as of now, but the investigation continues, moreover, as a result of this case they also plan to review towing activities in the countryside. Action has already been taken in Budapest to prevent abuses like this: Towing may be ordered only by specially designated policemen judged to be reliable, and a central office is being established to handle finances.

Towing contracts with small tradesmen and limited-liability corporations involved in this crime will be cancelled of course, and criminal proceedings on grounds of bribing police officers are likely to be initiated against them.

The Office of Investigations at the Budapest Chief Prosecutor's Office has initiated an investigation based on substantial cause to believe that officials have been bribed.

#### **South Korean Firm Organizes Hong Kong Investment**

92CH0199B Budapest MAGYAR HIRLAP  
in Hungarian 11 Nov 91 p 10

[Article by A.A.: "People From Hong Kong in the Balaton High Lands?"]

[Text] While half the country is arguing about the expo, or in more precise terms, about the possibility of financing the expo, the mayor of the city of Tapolca has entered into an agreement concerning an investment of identical magnitude in the Balaton high lands.

The president of the South Korean Gold Star Technology Group and the president of Trezor Trade Holding, Inc., domiciled in Gyor have agreed to establish a joint Kft [limited-liability corporation] this year, in addition to signing a letter of intent.

It will be the Kft's function to build a recreational city worth \$1 billion in the northwestern part of Tapolca and to settle there 2,000 families from Hong Kong. This value involved in this plan is unprecedented in the Balaton high lands, if not in Hungary. Its essence is that it departs from past practice and does not further aggravate the concerns of an already overcrowded Balaton.

Parts of Tapolca—often mentioned as the former bauxite city—that would be affected by the project are filled with vacant lots today. Plans call for the establishment of industry in addition to housing units and infrastructure, the bulk of which would be financed by capital from Hong Kong. The contract calls for Gold Star Technology Group to mobilize investors and to manage the investment while Trezor Trade Holding would organize the investment

projects and their performance in the area provided for that purpose by the local government.

The futuristic recreational Garden of Eden will also provide many jobs for people residing in Tapolca and its vicinity, of course.

#### **Central Bank Third-Quarter Report**

92CH0175D Budapest FIGYELO in Hungarian  
31 Oct 91 p 6

[Unattributed article based on the Hungarian National Bank 1991-93 report: "The Hungarian National Bank Reports"]

[Text] After a successful 1990, 1991 will be the year of preserving our ability to function. There is a severe drop in industrial production, the number of totally indebted, nonfunctional large enterprises is on the increase, and unemployment is on the increase. On the other hand, contrary to expectations, the total closure of the CEMA markets has not caused an economic collapse in Hungary.

Price trends evolved as expected: While industrial prices increased by 35.1 percent as compared to the same period during the previous year, agricultural prices exceeded last year's prices by only 2.1 percent. The latter occurred mainly because of reduced agricultural and agricultural product price levels resulting from excess production. Consumer prices increased by 35.7 percent during the first half of 1991; during the same period last year the rate of increase was 25.7 percent. The greatest increase this year occurred in heating and household energy prices; it amounted to 62.2 percent. The overall price increase slowed down or came to a halt after June 1991. Thus the level of inflation stagnated during the third quarter.

The foreign trade volume shows a significant increase despite expectations to the contrary. Almost 96 percent of the total volume consisted of transactions subject to settlement in convertible currencies, and the increase, as compared to the same period last year and counted in dollars, amounted to 26.8 percent. At the same time travel by Hungarians abroad declined by 1.2 percent as compared to the same period last year. Significant changes must be expected in the statistical record keeping of savings: since the number of small private enterprises has increased significantly, the number of those not required to report financial data has also increased. In any event, the financial position of the populace during the first half of 1991 has improved, while the volume of its indebtedness to banks has declined by 40 percent by the end of the first six months of the year. The number of business organizations, just as the number of foreign-owned enterprises, has increased significantly.

**Consumer Price Index Per Main Expense Categories**

|                           | 1987  | 1988  | 1989  | 1990  | 1990  | 1991  |
|---------------------------|-------|-------|-------|-------|-------|---|
|                           |       |       |       |       |       | <b>Jan-Jun (same period in the previous year = 100.0)</b> |
| <b>TOTAL</b>              | 108.6 | 115.5 | 117.0 | 128.9 | 125.7 | 135.7   |
| Of this:                  |       |       |       |       |       |   |
| Food                      | 109.2 | 115.8 | 117.7 | 135.2 | 133.3 | 125.0   |
| Consumer goods            | 113.5 | 114.3 | 111.1 | 130.7 | 123.3 | 130.8   |
| Clothing                  | 109.7 | 120.0 | 118.2 | 123.3 | 120.4 | 131.7   |
| Heating, household energy | 106.5 | 112.8 | 111.4 | 127.6 | 124.4 | 162.6   |
| Durable consumer goods    | 102.3 | 108.5 | 117.6 | 120.8 | 120.0 | 132.4   |
| Services                  | 109.0 | 117.5 | 116.6 | 125.6 | 124.3 | 138.6   |

**Personal Income**

|  | 1990                                    | 1991      | 1990  | 1991  |
|--|---|-----------|---|-------|
|  | <b>Jan-Jun (in millions of forints)</b> |           | <b>Jan-Jun (same period in previous year = 100.0)</b> |       |
| <b>TOTAL</b>   | 811,502                                 | 1,089,775 | 131.8   | 134.5 |
| Of this: current income  | 539,971                                 | 671,885   | 126.7   | 124.7 |
| Within that:   |   |           |   |       |
| Salaries and wages   | 274,403                                 | 335,625   | 122.7   | 122.9 |
| Payments to private entrepreneurs                                | 80,303                                  | 95,859    | 139.1   | 119.4 |
| Social security and social welfare payments (including pensions) | 124,300                                 | 164,390   | 132.9   | 132.3 |

**1992 State Budget Guide Figures Analyzed**

92CH0175E Budapest FIGYELO in Hungarian  
31 Oct 91 pp 1, 5

[Article by Emilia Sebok: "Budget Start"]

[Text] After several false starts, parliament digested the guidelines for the 1992 state budget rather slowly, and thus the representatives added to the delay incurred by the government. And yet, the legislature was able to begin its budgeting work earlier than in previous years. This was necessary indeed because the government has not changed its methods.

**State Budget Balance (in billions of forints)**

| Revenues  | 1991 Pro-Jected | 1991 Expected Actual | 1992 Pro-Jected | Expenditures  | 1991 Pro-Jected | 1991 Expected Actual | 1992 Pro-Jected |
|---|-----------------|----------------------|-----------------|---|-----------------|----------------------|-----------------|
| Payments by business organizations                        | 232             | 212                  | 213             | Subsidies to business organizations                 | 66              | 60                   | 52              |
| Consumption-related taxes                                 | 311             | 304                  | 357             | Consumption-related subsidies                       | 31              | 39                   | 17              |
| Payments by individuals                                   | 134             | 137                  | 173             | Accumulation expenditures                           | 62              | 62                   | 64              |
| Payments by organs supported by the central budget        | 5               | 3                    | 2               | Social security subsidies                           | 14              | 14                   | 20              |
| Payments by local governments                             | 0               | 2                    | 0               | To support organizations funded by the state budget | 279             | 286                  | 333             |
| Profit taxes and dividends paid by financial institutions | 53              | 55                   | 58              | Local government subsidies                          | 189             | 192                  | 215             |
| Other revenues  | 10              | 15                   | 8               | Debt service, interest reimbursement                | 110             | 109                  | 129             |
| Annuities and interest                                    | 27              | 32                   | 33              | Other expenditures                                  | 93              | 88                   | 83              |

State Budget Balance (in billions of forints) (Continued)

| Revenues                               | 1991 Pro-Jected | 1991 Expected Actual | 1992 Pro-Jected | Expenditures               | 1991 Pro-Jected | 1991 Expected Actual | 1992 Pro-Jected |
|--|-----------------|----------------------|-----------------|----------------------------|-----------------|----------------------|-----------------|
| Extraordinary (privatization) revenues | 0               | 0                    | 20              | General reserve            | 7               | 0                    | 10              |
|  |                 |                      |                 | Extraordinary expenditures | 0               | 0                    | 9               |
|  |                 |                      |                 | Guarantees                 | 0               | 0                    | 6               |
| Total Revenues                         | 772             | 760                  | 864             | Total Expenditures         | 851             | 850                  | 938             |
| Balance                                | -79             | -90                  | -74             |                            |                 |                      |                 |

It seems as if the government had forgotten a number of its promises regarding the budget; on the other hand, it also appears to keep a few of its promises. The ratio of GDP redistribution by way of the budget and the state household will be reduced: 62 percent of the GDP is expected to flow into the state household channels this year, while next year only 59-60 percent is expected to do the same. In terms of revenue composition, payments by business organizations and financial institutions will decline somewhat, the gravity of the tax burden will shift in the direction of consumption and personal income taxation. True, in regard to projected revenues to be derived from personal income taxes a piquant situation has evolved: The government included this revenue projection in the budget before it submitted to parliament its new legislative proposal concerning personal income taxation.

Some restructured and new kinds of taxes have also appeared: The gambling law introduced the game tax (the government expects to collect 7 billion forints in revenues as a result), the automobile and land taxes have been "modernized," but some "adjustments" in due regard to changes in the marketplace will also be made in consumption taxes.

A round figure of 20 billion forints also appears in the form of privatization revenues among other revenue items in the budget. Many dispute the permissibility of using revenues produced by capital for the payment of current expenditures. Finance Ministry professionals do not rule out this possibility, but the IMF has the final say in this regard. It will be difficult to maintain the deficit level expected by the IMF without the privatization revenues. The presently calculated deficit level of 74 billion forints for 1992 almost corresponds with the IMF expectations.

Other than that, not much is subject to dispute on the revenue side because a large part of the revenues is governed by laws adopted earlier, and therefore the amount of tax revenues produced by economic processes is automatic to a certain extent. The situation is different on the expenditure side. Laws govern expenditures to a far lesser extent than revenues and consequently the principles for expending revenues and the structure of expenditures remains a source of disagreements.

According to the government, the fact that the structure of expenditures has been rearranged and that the rate of increase of such expenditures has been reduced to a minimum represents the observance of a significant principle in next year's budget proposal. These goals, however, are not supported in every respect by the data publicized. Next year's projected expenditures exceed this year's anticipated actual expenditures by only 10 percent, and this represents a significant reduction in real terms, even if the government's optimistic prediction of a 20-25 percent inflation rate becomes a reality. But we have good reasons to raise questions and to be critical if we view the structural change of expenditures. This is so because while the government would allocate proportionately less money to virtually all expenditure categories, it intends to spend more for its own purposes. This year 33.7 percent of all expenditures served to finance the operations of organizations funded by the central budget, at the same time, however, these same organizations are slated to consume 35.5 percent of all expenditures next year. And if we add to this the fact that next year the government wants to manage a 10 billion forint general reserve fund instead of this year's 7 billion forint reserve (a 43-percent increase!) we find that the government is indeed inclined to spend freely in the coming year. Accordingly, there are things to argue about in parliament.

As compared to this year's funding levels, ministries and agencies having national jurisdiction would spend 15 percent more money in 1992 than this year—they would receive 118 billion forints from the common money. And the real trouble is not that this amount is large and that these organizations and the related institutions must feel the budgetary rigor to a lesser extent than others. Instead, the real trouble is that it appears that the allocation of projected amounts has been made pursuant to a method that has "worked well" in the past: as a result of automatic increases everyone receives increases close to the average amount of increases as compared to this year's amounts—at least in terms of nominal values—so that no ministry finds itself in a "disadvantaged situation."

In other words, by invoking the absence of a law governing the state household, a rethinking of state functions—or the beginning of such a process—has once again failed to materialize, and so has a critical examination of the efficiency of performing state functions in

the framework of a ministry or institutions operating under ministries. Quite naturally, the ministries themselves do not cost this much money (even though some savings could also be realized at the ministries, but in our neck of the woods governments usually measure the weight of their fleeting existence by the size of the central bureaucracy). The institutions under the ministries cost a lot. To mention just a few examples: The staff of the Ministry of Public Welfare costs just about 200 million forints, but several billions of forints to cover the costs of the National Rescue Service and of medical schools are also included in that ministry's budget. The Ministry of Transportation costs a similar, small amount of money, but the ministry's budget also includes 10 billion forints for the funding of public roads and highway directorates, to be distributed by that ministry. Similarly, the fire services receive their funds from the Ministry of the Interior.

We have not yet mentioned the expenditure allocations made for the country's defense and for armed bodies. Compared to this year's 100 billion forints, the amount projected for 1992 is 112 billion forints. Earlier—meaning the years of the agony of the party state—outraged representatives exercised their rights with respect to these two [Defense and Interior] ministries and consistently regarded the amount of the budget request as exaggerated. Unfortunately, the first freely elected parliament will not be able to do so, because the first democratic government has so few other means by which to improve public security that parliament will easily agree to provide justified additional funding for the expansion of the police force and for technical equipment. Insofar as the Defense Ministry is concerned it will suffice to point in the southerly direction to justify its request for support. Yet, there will be some "daring" representatives who will throw in some monkey wrenches and claim that it is difficult to estimate defense expenditures as long as the country lacks a defense strategy responsive to the changed situation.

Those who make references to Western experiences claim that the ratio of central funds derived from local government revenues is too large (more than 60 percent, or more than 80 percent if one includes social security transfer payments), and thus local government management is overly dependent on the condition of the central budget. A substantial number of local governments, particularly in small settlements, would simply be placed into impossible situations if the ratio of central support were to be reduced, because these local governments have no substantial alternative revenues sources of their own. The consequences of the tragically distorted settlement policies of the past 40 years must be taken into consideration even if we find as appropriate to increase local government revenues by permitting them to directly collect a larger proportion of taxes than they do today, rather than receiving tax revenues by way of distribution through the central budget. To quote the representatives: One should be able to find somehow an

ideal situation between "a poor budget and rich local governments" and "a poor budget and even poorer local governments."

#### **Former Justice Ministry Official on Privatization**

*92CH0199C Budapest MAGYAR HIRLAP  
in Hungarian 14 Nov 91 p 14*

[Interview with Tamas Sarkozy, professor and department head at the Budapest University of Economics, formerly a Ministry of Justice state secretary and author of laws providing for economic transition, by Melinda Kamasz; place and date not given: "The Record of Centrally Guided Ownership Change; 'There Is a Need for a Uniform Privatization Law"—first paragraph is MAGYAR HIRLAP introduction]

[Text] Much criticism has been leveled against privatization processes initiated by enterprises—commonly known as spontaneous privatization. At this point, ownership change directed by the AVU [State Property Agency] has been going on for a year and a half. How does Tamas Sarkozy, Budapest University of Economics professor and department head, view this situation? In his days as Justice Ministry state secretary he played an important role in drafting laws that started privatization.

[Kamasz] Although you have not expressed your views to the press, the fact that you disagree with the present privatization strategy is well known in professional circles. What is your assessment of the direction in which privatization has progressed thus far?

[Sarkozy] I do not believe that a professional analysis should be made in the daily press, but a recently published book of mine entitled *Privatization Law in Hungary* deals with this issue in detail. It is well known that I favor a fundamentally decentralized privatization while at this time privatization is guided primarily by the state. Viewed from the perspective of a year and a half, it is possible to make a relatively objective assessment of the related achievements and shortcomings. Privatization is an extremely difficult process because nowhere in the world have we ever seen a dismantling of state ownership of these proportions, and to top it off, in such short period of time. If we compare the Hungarian process with that of other East European countries we recognize our process as fast, but I do not believe that the picture is that positive if we look at the available possibilities. I would note here that one also has to be careful with the East European comparison because we were far ahead of the rest of the socialist countries in dismantling state property.

[Kamasz] What do you mean by saying that we did not sufficiently take advantage of the opportunities?

[Sarkozy] I obviously mean to say that we did not privatize enough, considering the fact that we must get rid of state property at last. This, of course, is always a matter of how we view things. Whether we primarily consider short term or long range interests. Thus far the

government's fundamental approach to privatization has been based on reducing the state's indebtedness and on maintaining a balanced budget, and correspondingly, it centralized the process. This is natural considering the difficult economic situation in which this government must govern. The idea of a centralized process has also been supported by a public mood created by abuses; it suggested administrative intervention. Quite naturally, after a year and a half the disadvantages of centralization also begin to show, notably the fact that a centralized process requires a large bureaucratic staff, that it is slow and costly.

[Kamasz] The question is, however, whether the financial interest can be disregarded, in due regard to the fact that under present conditions of balance the government wants to use 20 billion forints from privatization revenues to finance the budget.

[Sarkozy] Disregard is not at issue, the question is this: Which consideration do we regard as the primary consideration. There obviously has to be centralized privatization, but with respect to medium-sized and small enterprises I would always stress initiatives by the enterprises, i.e., decentralized privatization. Even the AVU had been forced to introduce a self-privatization program for small enterprises beginning last fall.

[Kamasz] In its own days, however, spontaneous privatization has been accused of many things—salvaging power, salvaging property, to mention only the best known charges.

[Sarkozy] I do not believe that a bad manager is able to salvage his power in the long term. Every owner concentrates on results. Thus, even if they regard stability as the main goal at the outset and therefore do not dismiss the old leadership, that leadership will be dismissed unless it produces results. There are many examples for situations like this by now. Quite naturally, if we choose enterprise initiated privatization as the main road to follow, the enterprise leadership that prevails at any given time has to play a major role. And insofar as selling below the market value is concerned, this is not something that pertains solely to spontaneous privatization, this may occur even if the AVU itself conducts the privatization process. Aside from that, there always has been and there always will be abuses. The word "panama" [Hungarian reference to corruption] originates from the corruption involved in the Panama Canal investment. And yet, the canal has been built, the stockholders' right to vote has not been suspended either, at most, those who committed crimes have been taken to court. Removing assets from a state enterprise and transferring such assets at an extremely low price under their own ownership constitutes fraud and a criminal act. Several means of legal recourse exist to prevent and to sanction abuses; for example, an immoral contract may be declared null and void on grounds of the conspicuously disproportionate magnitude of the value of the grant made by the contract and the value received. One should not level charges based on abuses in general, instead, specific cases of

abuse should be unveiled, proven, and sanctioned. It is my view that a far larger number of viable enterprises would be operating if enterprise-initiated privatization were to represent the definitive method of privatization. These enterprises would pay significant amounts in taxes later. Privatization would be much faster. On the other hand it is also true that there would be less central state revenues in the short term. Just take a look at the way the AVU gives preference to financially motivated investors while the enterprises are far more interested in investors who are part of a given trade. AVU favors privatization based on sale, while the enterprises prefer privatization by raising capital. But we need a uniform and comprehensive privatization law to support decentralized privatization.

[Kamasz] Many experts claim that there is no need for a code of laws which incorporates all laws related to privatization. They say that preparing a privatization law would once again invite lengthy debate in parliament and that the influx of foreign capital would come to a virtual halt until the adoption of the law.

[Sarkozy] The existing legal provisions must be changed by all means, and such changes will necessarily involve broadly based parliamentary debate. These laws have become confused because of the numerous amendments, they are overly complicated and at the same time they also include gaps, it is impossible to simply shore up these laws. A uniform law must be framed based on a new concept, giving primacy to decentralized privatization. Incidentally, I believe that viewing the time that is to be consumed by the legislature reflects a superficial approach to the problem. In my judgment the substantive debate concerns the question of whether the AVU should be permitted to weigh the merits of each case individually and to make decision on that basis, decisions against which there is no legal recourse. The privatization law I am talking about would establish standard, overall conditions, guarantees and other opportunities for legal recourse in the course of privatization. This is not only a matter of technicalities, there is a difference between the underlying philosophies of the two concepts.

[Kamasz] But a law like that would disregard special needs and peculiar situations.

[Sarkozy] This would be a disadvantage, of course, but standard, overall rules reduce the likelihood of arbitrary and subjective action, and thus also of charges of corruption. To give you an example, given a privatization law, anyone who complies with the legally prescribed conditions could become a privatization adviser as a matter of individual right, and the AVU would not choose from among them. Based on my own experience I can say that a majority of foreign investors would also agree with having a uniform privatization law, and such a law has been part of both the cabinet's program and the Kupa program. Incidentally, I am in agreement with the privatization concept contained in the Kupa program.

### Problems With Compensation Vouchers Discussed

*92CH0199D Budapest MAGYAR HIRLAP  
in Hungarian 18 Nov 91 p 11*

[Article by F.B.: "Many Disputes Concerning Compensation Vouchers, for Now"]

[Text] Corresponding with the amount of claims received as of 20 November, 20 billion forints' worth of compensation vouchers are being printed at present. Contrary to rumors spread thus far, clients will receive the vouchers only in the middle of January. As it turned out at a meeting held by the Central European Broker Training Foundation and the Bankers' Training Inc., many questions are still pending concerning the issuance of compensation vouchers.

Plans call for the issuance of compensation vouchers in the amount of 100 billion forints, and the issuance will take place continuously for almost nine months. Introduction of compensation vouchers at the stock exchange follows the printing of individual series; the anticipated exchange rate is 30 percent, according to preliminary estimates. The possible uses of compensation vouchers has been written up many times before, i.e., the purchase of land; housing; social security annuities; privatization loans and stock; and experts believe that various organizations, such as cooperatives, local governments, banks, as well as social security, will sooner or later want to invest the vouchers they receive into stock. Budapest Securities and Investment Inc. managing director Miklos Jasper believes that 100 percent of the compensation vouchers will turn over in the securities market.

By all means, the goal is to persuade clients not to sell immediately, because that way they could lose the most, we heard. Some people believe that 20 percent of those entitled to receive compensation vouchers will buy stock; this means that assets worth about 3 billion or 4 billion forints will have to be released by the state in exchange for compensation vouchers. These assets must be made available by AVU [State Property Agency]. Demand exists for appropriate, successful public corporations which are in short supply at present. As we have already reported in this newspaper, Budapest Securities, Inc. has submitted a proposal to AVU which includes two corporations whose stock is traded on the exchange—IBUSZ and Zalakeramia—as well as financial institutions and insurance companies. With respect to the latter they had in mind a mere 5 percent of the

capital stock, and this would not affect possible privatization or sale abroad. An AVU representative present at the meeting said that the agency is in the process of putting together a 4.2-billion-forint stock portfolio. They promised to have a final list by the end of November, but the list does not include a single financial institution. But even the AVU representative acknowledged the fact that the exchange value of the enterprises included in the list will be much higher than their real worth.... Thus the value clients will receive in exchange for their compensation vouchers is questionable. The market will be clearly supply oriented and this may cause the value of vouchers to plummet. Nevertheless the managing director of Budapest Securities Inc. is optimistic; in his view the vouchers will once again be traded at face value within 18 months or two years, in parallel with the increased supply of privatized property.

Certain organizations forced to sell will also appear in the market. These include producer cooperatives, local government, social security, and holders of vouchers who were unable to find an appropriate form of investment. These sellers have short-term goals, i.e., they want to receive as much as possible money for their vouchers. But long-term investors will also appear along with the short-term investors. A suggestion by Miklos Jasper concerning possible intervention regarding the exchange rate of compensation vouchers sounded somewhat utopian.

In his view a stabilization fund should be established to absorb the initial supply at face value. Thus a possibility would exist for clients to part with their vouchers at face value and for long-term investors to purchase compensation vouchers at this price. But an appropriate supply of stock must exist before this system could work, Jasper stressed. Several individuals questioned whether it was worthwhile to interfere with the exchange rate of compensation vouchers because the real determinant of value will, by all means, be the stock exchange.

Everyone expects the AVU to make the first buying offer, because if the AVU is not willing to buy compensation vouchers at face value, the same cannot be expected from producer cooperatives.

One of the many unanswered questions pertains to the trading of vouchers on the stock exchange. As Miklos Jasper said, these securities appear in the traded category [as published], the traders—Budapest Securities Inc. and the OTP [National Savings Bank]—are given, and the trading of state bonds would provide a pattern for the administration of the transactions.

**Union of Poles in Belorussia Activities Noted**  
*92EP0071B Warsaw RZECZPOSPOLITA in Polish*  
*31 Oct-1 Nov 91 p 6*

[Interview with Tadeusz Gawin, Union of Poles in Belorussia president, by Piotr Koscinski; place and date not given: "Revive the Educational System and Culture"]

[Text] [Koscinski] As late as three years ago, there was not even one place in Belorussia where the Polish language was taught, at a time when 400,000-500,000 Poles were living there. Now the situation is completely different. How do you see this?

[Gawin] Insofar as the teaching of the Polish language is concerned, generally speaking, it depends mainly on the desires of the Poles. There no longer is any strong resistance on the part of the authorities. But it must be said that it is precisely the Belorussian government that liquidated the Polish school system in 1948 and it is this government that should rebuild it.

At present, the Polish language is taught in approximately 200 places in the republic. This year, in Grodno, the nuclei of two Polish classes were formed—there are first grades in which all subjects are taught in Polish.

The teachers come from Poland. We intended to establish similar schools in Lida, Volkovysk, Nowogrudok and Shchuchin, but we could not convince the parents there to send their children to Polish schools. There is an attachment to Belorussian and Russian schools. It is also possible that parents are afraid that after completing the Polish school, it will be harder to get into the university, etc. Everyone had to be convinced separately.

From January to April, even in Grodno, we did not have even one application for the Polish school, despite appeals on the radio and television and in the churches. Only when an organizational committee was formed, when we went to the parents, were we able to persuade a few people.

[Koscinski] How do the activities of the Union of Poles in Belorussia [ZPB] look at this time?

[Gawin] Our activities cover all of the republic's districts. We have chapters in the Minsk, Gorodnya, Brest, and Mogilev districts; there are regional chapters in the Gomel and Vitebsk regions.

ZPB has 15,000 members. We have our own headquarters building in Grodno, which also houses the editorial staff of our monthly, *GLOS ZNAD NIEMNA*, which will be converted into a biweekly.

I should also add that there are Polish-language programs on the local radio and television.

[Koscinski] And how are your relations with the authorities?

[Gawin] The authorities have not changed. They are the same as formerly and have adapted to the new political conditions. They do not interfere with the building of Polish education because our rights are guaranteed by the constitution and by laws, but as I have already said, they do not help us enough.

The talks and decisionmaking goes on for weeks and months, while a few days would have been sufficient. But sometimes we are able to exert the required pressure. When there were problems in establishing a Polish school, we called a rally, which was attended by a few thousand people, and that brought results.

[Koscinski] And relations with Belorussians?

[Gawin] They are not bad. In all large undertakings against the totalitarian regime we were together, cooperating with the Belorussian National Front.

We are again finding a common language. During the referendum on the future of the USSR, the ZPB signed a declaration of support for the aspirations for independence and the sovereignty of our republic. Time has shown that we did the right thing.

Personally, my relations with the Grodno leader of the Belorussian National Front, Mikolaj Markiewicz, deputy to the Supreme Council, are very good.

[Koscinski] What is your opinion of the recently signed Polish-Belorussian declaration on good neighborliness and cooperation?

[Gawin] I am hoping that thanks to this declaration we will get some concrete help from the republic's government. For example, right now ZPB is spending large sums out of its budget to help finance the teachers from Poland. We expect the teachers to be paid entirely by the state, just as they are in Kazakhstan and Russia.

We are also counting on financial assistance for our Union. Perhaps the local and regional authorities will help the local chapters of ZPB by creating the conditions for the rebirth and development of Polish culture.

[Koscinski] Do you believe that the Polish authorities are giving enough help to the Poles in Belorussia?

[Gawin] I think that they are doing everything within their power. We cannot complain.

**Polish-Belorussian Apprehensions Examined**  
*92EP0071A Warsaw RZECZPOSPOLITA in Polish*  
*31 Oct-1 Nov 91 p 6*

[Article by Piotr Koscinski: "Poland-Belorussia; Cooperation and Apprehensions"]

[Text] The recent signing of a Polish-Belorussian declaration on good-neighbor relations, mutual understanding and cooperation, and a trade agreement constitutes an important change in Polish-Belorussian relations which, as we must remember, have not been ideal.

The Belorussians, although to a much lesser degree than the Lithuanians, have apprehensions as to Poland and the Poles. The policies of the USSR Government, which applied the old principle of "divide and rule," contributed to this. The Belorussians were made to believe that the Poles will want to take the land in western Belorussia, and that the rebuilding of the Polish educational system and culture is heading precisely in this direction. The nationalities policy of the Polish Government, too, was not always the best. The Belorussians in Poland definitely had it much better in Poland than did the Poles in Belorussia, but certainly conditions were not always those that a national minority should have in a civilized state.

We must also remember that the Belorussian nation, which never had its own state (unless the Grand Duchy of Lithuania is recognized as being it), has a good many complexes and is experiencing—which is understandable—a rise in nationalism. Hence the appearance (and especially in the headquarters of democratic organizations!) of maps of Belorussia in which this country extends all the way to Suwalki and beyond Bialystok, to Vilnius, and farther to the south and the east than the boundaries of the republic actually go. This suggests, for example, that there is a Belorussian majority in the Bialystok region and that the Poles in the Vilnius region are really Polonized Belorussians (the Lithuanians say that these are Polonized Lithuanians...).

It took no small effort on the part of Polish diplomacy to make the Belorussians understand that Poland is not a threat to them, that it does not strive for Brest, Grodno, or Volkovysk. It also took no small amount of effort and tact on the part of Belorussian Poles to make the Belorussians understand that their actions are not directed against them. The Poles in Belorussia supported the National Front and its aspirations for independence. The Belorussians will certainly remember this.

But the Republic of Belorussia finds itself in a state of constant flux. Although a great deal in Belorussia depends on the democratic opposition, and the votes in the Supreme Council—where the democrats hold not quite 10 percent of the mandates—often reflect their ideas, the government continues to remain in the hands of the excommunists. That is how it is in the metropolitan area, and that is how it is in the outlying regions. Many of them still look to Moscow. Many of them are only "passport Belorussians," just as there are "passport Poles." This was explained to me once by one of the activists of the Union of Poles in Belorussia: The passport shows a Polish (or Belorussian) nationality, while in fact this is a "Soviet person."

The statement made by the leader of the National Front, Pazniak, who the day after the Polish-Belorussian declaration was signed, told RZECZPOSPOLITA that the declaration is of no interest to him because it was signed by the communist premier, may be disturbing. A fact remains a fact: The declaration was signed by the premier of a country in which without the acquiescence (silent or vocal) of the opposition no declaration of this type could have been signed. Is it possible that Pazniak's utterance was a sign of internal Belorussian conflicts? Because, surely, it is not a sign of aversion to closer Polish-Belorussian relations. To my knowledge, Pazniak is not anti-Polish, but precisely the opposite. The democrats—it would seem—have been making better and better deals with the Unions of Poles in Belorussia. They date back to the last elections to the Supreme Council, when the Union of Poles and the National Front formed a joint "Soviet 90" alliance.

Poland, let us hope, will be a much more important partner to Belorussia. The opening of new border crossings and new railroad connections, as announced during Premier Kiebicz's visit in Warsaw, will bring about improvements in transportation facilities. At present, since the crossing at Brest was closed for sanitary reasons, the situation is worse than before.

But Poland must treat Belorussia very seriously. It will be harder for this republic to achieve independence than the Baltic countries, or even the Ukraine. This does not mean that it can be treated condescendingly. No. However, as much as our modest capabilities will permit, we should help.

#### KPN Leader on Party's Political Initiatives

92EP0094A Warsaw PRAWO I ZYCIE in Polish  
No 45, 9 Nov 91 p 7

[Interview with Leszek Moczulski, chairman of Confederation for an Independent Poland, by Zdzislaw Zaryczny; place and date not given: "Quicksand"]

[Text] [Zaryczny] I will not repeat what was recently written about KPN [Confederation for an Independent Poland]—that it is a sensation, "a black horse," and so forth. I am more interested to know what the Confederation has become after the elections?

[Moczulski] Genuine. It is now what it has always been: a pure movement of Pilsudski followers. I stress the word "genuine" because KPN had been widely known, yet not genuinely known. Many people in Poland came across the acronym KPN, but for them it stood only for what they heard about it: a propaganda cliche manufactured at KC PZPR [Central Committee of the Polish United Workers Party]. Right now, surprised with the election success, they are asking: Is this the same party?

[Zaryczny] And what do you answer?

[Moczulski] Of course, it is the same. Who, for instance, knows that from the very beginning KPN treated the

issue of accountability for the past in a way that, most probably, is still astounding? Namely, we said that nobody must be punished for communism, that there must not be any collective responsibility. A concrete person has to bear responsibility for concrete deeds; there must not be any punishment for being a member, no witch hunting.

Another example: Who remembers that KPN, as the first, came up with a program of transformation to market economy and of privatization? In 1981, at the Solidarity Congress in Gdansk, this program was received with distaste, because the union elite believed that market economy meant ugly capitalism, and plants had to be managed by employee self-government.

[Zaryczny] The KPN stereotype is quite different: a party of contention, resistance, protest....

[Moczulski] It was not contradiction and saying "no" that was essential to us, but saying "how." We did not just shout: "We don't want communism," and that was it. We spoke in concrete terms: We want such and such a Poland, and that is why the one party system of PZPR has to go. I remember when back in September of 1989 Tadeusz Mazowiecki assured me, and later the same was repeated by Aleksander Hall, that PZPR was a permanent element in the Polish political system and that actions leading to its liquidation were unacceptable. I answered: "Mr. Prime Minister, let us try then to persuade PZPR to dissolve itself." He made a serious face and threatened he would send the militia against us. "You will not be the first one to do so," I replied.

[Zaryczny] It turned out you were right. In January 1990 PZPR dissolved itself, although not necessarily and exclusively under the pressure of KPN.

[Moczulski] Our idea was simple: We decided to prove that PZPR had no reason to exist any longer, that it was empty in the middle and could not even defend itself. Since logical arguments did not convince, we blockaded 140 party committees. Not because we wanted the buildings, we wanted to generate a series of events, so that the PZPR apparatchiks could say to themselves: This is the end.

[Zaryczny] I am not sure if these methods of protest will be appropriate now, when after 12 years of being pushed to the margin, KPN won a sizable representation in the parliament. You have, after all, 46 deputies and four senators.

[Moczulski] Not methods of protest, of resistance, but of peculiar political brutality. To come and say: "Gentlemen, you do not occupy this building any more," is not a protest, it is political brutality. We could speak of a protest if, for instance, we started a hunger strike, but in KPN this was forbidden, even in the worst situations, because we were not interested in a protest for protest's sake. We are interested in victory.

[Zaryczny] You speak like a revolutionary....

[Moczulski] No matter whether we like the word or not, a revolution has been taking place in Poland. It is a mistake to associate it only with barricades. A revolution does not take place at the barricades, it goes on in the parliament where constituent assemblies gather, or councils, or national assemblies, etc. It goes to the streets only occasionally. Momentarily.

[Zaryczny] When in your view did this revolution start.

[Moczulski] In 1980, of course. Some time at the end of 1982 and the beginning of 1983, its first dynamic phase faded away. The revolution quieted down. Later, in 1988, the second dynamic phase of the revolution came, but it was already "tamed."

[Zaryczny] KPN has proved that it is capable of brutal actions; will you manage to move about in the salons of power?

[Moczulski] We carry on salon conversations all the time.

[Zaryczny] They must have been deeply concealed.

[Moczulski] They have not been noticed by mass media. Very few people know, for instance, that we have very good personal relations with the leadership of the Social Democracy of the Polish Republic [SdRP].

[Zaryczny] Interesting indeed....

[Moczulski] I am not on the first name basis with any leader of SdRP, like my deputy Krzysztof Krol, but I always greet Kwasniewski or Cimoszewicz, whom I simply like, in a friendly way. In another moment we may be ready to jump against each other and remind each other various incidents, but there are also things in common. Today, for instance, I met with Kwasniewski twice and we are in complete agreement on one issue: The future government must have a program base and not a personal base.

[Zaryczny] The parliament has not convened yet, and you are already talking government.

[Moczulski] The most important area of activity for KPN is the society and social awareness. The parliament would be most important if we had a majority in it, but we do not. As participants in political life, however, we see the parliament as something more than just a tool to win public opinion.

[Zaryczny] As what, then?

[Moczulski] We want to make sure that this new, freely elected, parliament preoccupies itself, first of all, with the political system and the economic system. To us, it is not very important what the government will be. It is of utmost importance that this government be created on the basis of a new constitution, a provisional one, naturally, because the final version will need a lot of work. A proposal is ready, at least ours is. We do not want to have it quickly and thoughtlessly adopted. The

parliament and the society must be prepared for this constitution. The first problem is building the republic through the Sejm. The second, creating a political system in this Sejm.

[Zaryczny] You do not think that such a system exists yet?

[Moczulski] If this Sejm is to function well, a lot has to be rearranged in it. When President Walesa announces he would like to form a government based on the seven parties with the largest representation in the Sejm, it is simply impossible to accomplish right now.

[Zaryczny] Do you have another proposal?

[Moczulski] The best solution would be to create two blocs in the Sejm: the center-right and the center-left. This cannot be done, however, from day to day, we have to follow a system. If the Sejm realizes that it has to divide into such blocs, it will be able to function effectively. If not, I see black....

[Zaryczny] There is the president, however, who most certainly will not watch the course of events passively.

[Moczulski] It would be very good for Poland if Lech Walesa helped bring into effect the indispensable political solutions, even if only provisional, and clear up the political system.

[Zaryczny] Have you discussed this with the president?

[Moczulski] Not after the elections. We have known each other well, of course, for a long time. Walesa knows that I am a difficult interlocutor.

[Zaryczny] Which politicians have you had contacts with after the results of the elections became known?

[Moczulski] Twice with Kwasniewski. With Pawlak and Luczak from PSL [Polish Peasant Party], with some people from ZChN [Christian-National Union]—but these were not serious negotiations.

[Zaryczny] You are “smelling” each other?

[Moczulski] No, it is like mixing dough in a bowl, we are “mixing” ourselves in this way. We know one another well, after all, and we do not need the courting stage. After seeing Kwasniewski or Cimoszewicz briefly, I already know, for instance, what their attitude to a coalition with the Democratic Union [UD] is.

[Zaryczny] What did you hear?

[Moczulski] Since such a coalition would be detrimental to the Union, the Social Democracy does not want it.

[Zaryczny] One can guess that if this happened there would be a secession in the Union. Members of the Forum for the Democratic Right would leave....

[Moczulski] Unfortunately, I am sorry to say that we have parties about which one never knows if they are one

or if they are four. Look at the Center Accord [PC], for instance. While campaigning in Krakow, PC was attacking PC candidates....

[Zaryczny] Galician squabbles?

[Moczulski] You are insulting Galicia. After all, the same happened in Warsaw, Poznan, or Lublin. These parties are simply not very unified yet. It is not even that they are not homogenous; a party does not have to be homogeneous. They are not focused and to a large extent they are incidental. KPN has the advantage over them that it is unified.

[Zaryczny] So are SdRP and PSL, aren't they?

[Moczulski] That's right. That is why I think that this parliament will undergo many metamorphoses: One party will become two, two parties will become one, etc. UD has the highest number of deputies right now, as many as 62, but what will become of it when Hall's group leaves it and unites with the Liberal-Democratic Congress, while PC divides at the same time? This is the Polish quicksand, so to say. Since we will not impose unity on them, let us at least impose an orientation: center-right or center-left.

[Zaryczny] Which orientation will KPN choose then?

[Moczulski] We can cooperate with those from the right and from the left. KPN is prepared to join the ruling majority as well as a constructive opposition minority. The Confederation is in the center; from here we can see the Union and PC, SdRP and ZChN, etc.

[Zaryczny] Can this also be read as an announcement of launching its own political initiatives by KPN?

[Moczulski] We will wait and see how the three proposals, that have already been submitted, will fare: Walesa's—to reconcile all under his premiership; that of the Union—to form Mazowiecki's government; and that of PC and ZChN—to create a government of the right. If they run aground, then, maybe, we will come forth with our own initiative. The parliament will have the last say, however. The parliament may, for instance, adopt a constitution that will abolish the office of the president, or bring back a descendant of the Piasts to the throne in Warsaw.

[Zaryczny] What?

[Moczulski] Why not? If the Spanish path to democracy could lead through a restoration of monarchy, our parliament may also create something original. What I want to say is that the parliament can really do anything, and it would be good if the president realized that soon enough.

[Zaryczny] Thank you for the interview.

P.S. On Monday, 4 November, already after our conversation, Leszek Moczulski was received at the Belvedere by President Walesa.

### Military in Light of Changing Europe

92EP0063B Warsaw POLSKA ZBROJNA in Polish  
25-27 Oct 91 p II

[Article by Lt. Col. Jan Hajdak: "With What Army Shall We Enter a Uniting Europe?"]

[Text] Poland's economic situation, which becomes worse and worse with each passing month, has reached the point where a question such as "Does Poland need an army at all?" gives occasion for political parvenus of various sorts to appear in public. Undertaking the problem is not in itself devoid of sense, but the following questions should be regarded as fundamental: What sort of army is necessary today for a state lying between a united Germany and a divided USSR, and what kind of army will Poland be able to afford not in 1991 but in the year 2000?

Regardless of the short-term economic and military situation of our state, regardless of whether we like it or not, strength will remain the decisive factor in international politics in the 1990's and after the year 2000, although the substantive content of this idea is also undergoing transformations. The only thing that can be added to the above statement is the thesis that Poland, as a medium-sized state, cannot base its security interests and needs exclusively on its own economic potential and its own armed forces. We simply cannot afford absolute independence. We must be aware however that in the history of our country there have been situations where the interests of Poland depended in an extraordinary way on how the country presented itself. When Poland was weak, the interests of Germany and Russia (the USSR) cooperated with one another.

Are we not currently dealing with such an arrangement? Was it not precisely the USSR—which is withdrawing its divisions, airplanes, and tanks from the GDR—that decided upon the unification of Germany? Will not the withdrawal of Soviet troops cause the withdrawal of all foreign troops from the land whose residents were, and perhaps still are, hostages to a grand policy?

### Security Is Not Calculated Just in Terms of Divisions

Germans on both sides of the Elbe had real reasons to feel like "cannon fodder" in the event of a conflict between the USA and the USSR any place on the globe. This fact restrained German politicians for 46 years. Today, the cooperation of Soviet (Russian) and German interests is such that we can expect Soviet forces to be withdrawn from German territory before any others, unless the French or the English do this more quickly in what would be an absolutely spectacular political gesture. Characteristic of this situation are politicians' declarations such as "the government of France made the decision on 22 July of this year to withdraw French units stationed on German territory (82,000) before 1995." Concrete undertakings are taking place, for example, the reduction of the stock of F-16's at one American air base by 60 aircraft before 1992. However, a question arises

here: Does every reduction in armed forces west of the Oder River improve our situation? If the Americans withdraw 82,000 soldiers from Europe before the end of 1992, as they plan, will military stability improve?

The process of relaxation and disarmament around the world, and particularly in Europe, has been taking place for several years, and it has certainly removed the threat of conflict between superpowers and military blocs. The magnitude of the effects of this threat provided a certain guarantee for the medium-sized states that were members of the blocs. But will the treaty signed in Paris in 1990 that reduces conventional forces (CFE-1) improve the military balance in Central Europe? It is not so simple to answer this question. In pondering this question, one would have to take into consideration the equivalence of tactical and operational unions of many countries that possess armaments on various technological levels. Calculating military strength in terms of divisions, airplanes, tanks, and missiles no longer makes sense. The message of the "war for Kuwait" is very clear in this respect. The treaty negotiated in Vienna guarantees an approximate balance of power, but the balance is between military blocs, one of which has already fallen apart. The treaty is in effect, but the Warsaw Pact does not exist, and NATO does not intend to pass into history and does not want to take responsibility for the "post-communist countries" of Central Europe.

During the visit of our politicians and journalists to the command headquarters of the Atlantic Pact, we were able to be persuaded of the extent to which we can count on NATO guarantees (in the new situation in Europe). Two general theses essential to our plan for transforming the army emerge distinctly from these talks: First, as far as NATO is concerned, there exists just one partner in the East; second, the countries of East Europe cannot count on the guarantees of the Atlantic Pact.

For example, at a conference for journalists and political scientists from the Warsaw Pact countries, the German ambassador to NATO, von Ploetz, harshly evaluated the East European countries for "attempts tinged with nationalism to brandish the Soviet bogeyman," and the representative of the United States, Ambassador Taft, explicitly stated that NATO cannot and should not guarantee the security of East Europe.

With respect to the above, Poland's vital interests will for the next few years depend to a greater degree than before on how Poland presents itself economically and militarily and on the balance of power in our immediate surroundings, at least until new military alliances arise that, for example, embrace our entire continent.

### Process Dynamics

The balance of power and political stability in our part of Europe is changing. During recent months, dynamic processes have been taking place here: the rise of a united Germany and the attainment of political independence by the postcommunist countries and the western republics of the USSR. The fateful position of Poland will not

change but it should be taken into consideration when we try to assume the position that is our due within the framework of the construction of a united Europe. No one will give Poland special rights for services rendered in the dismantling of communism. The reserve of political and military stability continues to dwindle in our region, where a few nations that are susceptible to slogans of border revision and the redress of historical wrongs live.

The situation in the military sphere for the coming years presents itself as follows: The NATO countries will reduce their armed forces in the years from 1991 to 1995. Germany, for example, will reduce its troop level to 370,000 before the end of 1994, and Great Britain will reduce to 270,000 troops before the end of 1995. In accordance with the decision of parliament, the armed forces of Sweden will be reduced in the coming years. In ground forces, the dissolution of six of the 24 brigades is anticipated. In order to leave combat potential as little changed as possible, the Swedish parliament is calling for the introduction of weaponry of a more modern variety. It is worth paying attention to two aspects of the reduction—timetables and budgets. For example, the British Parliament ratified a plan to reduce land forces by 25 percent before 1997, and the budget of the MOD [Ministry of Defense] for 1992 grew by ten to twenty percent in relation to last year. The Germans, in spite of a reduction, maintained the budget of the MOD at an unchanged level. All plans for restructuring and reducing in the states of West Europe corroborate the principle that has been adopted: National armed forces will be reduced quantitatively, but at the same time they will be better armed and more maneuverable. In NATO, there are plans to create multinational tactical and operational unions before 1995. At a conference of the leading cadre of the Bundeswehr in March of this year in Bonn, the general inspector, Admiral Dieter Wellerhoff, stated that, alongside the Bundeswehr's planned reduction in personnel and armaments, more modern, qualitatively better combat equipment must be introduced. Unfortunately, this concerns armaments which for the most part would satisfy our requirements.

Aside from the quantitative reduction in armed forces, yet another phenomenon is shaping stability and the balance of power in our region of Europe. Lithuania, Latvia, Estonia, and Ukraine are already forming their own armies. The most significant for Poland is Ukraine, which has 52 million inhabitants and obviously has tremendous enthusiasm and momentum, both in society and government, to create its own armed forces. Recruitment in Ukraine was officially begun on 4 September, and a minister of national defense has been appointed. At an assembly of the Supreme Council of Ukraine, soldiers, retired persons, and families were guaranteed all relief and services to which they were previously entitled. By decree the Supreme Council of Ukraine subordinated to itself all military formations stationed on its territory. These were estimated at more than 400,000 soldiers. This would be one of the numerically

largest armies in Europe. In Ukraine one can hear it said that "we do not have territorial claims, that is, we have them but we do not talk about them." Ukraine is involved in border and nationalities problems: the Crimea, Moldavia, Lvov, the Tartars, Romanians, Poles, and Russians. This is an exceptional melting pot of nationalities, religions, languages, and cultures. This is perhaps the most potentially unstable place in Europe, and tragically the 1920's and 1940's still live in the memory of today's inhabitants of this territory. Tragedies that affected entire national groups living in Ukraine were not settled by official history. Until recently, we Poles had ideologically guaranteed neighborly friendship. General opinion differed, and not without reason. Today the fact that we are not loved in Lithuania, Byelorussia, and Ukraine may be significant, and in a rather fundamental way, for the restructuring of the WP [Polish Army]. To be sure, unambiguous declarations of the inviolability of the existing borders were signed with Ukraine and the RFSRR [Russian Soviet Federated Socialist Republic] very early on, but the fact that the authorities in Belorussia refused to acknowledge the pact concluded by Poland and the USSR in 1945 was a surprise, and not just for diplomats. We may not take for granted the stability of our eastern borders forever.

It would certainly be difficult to find anyone who would have to be persuaded that Western technology (in general and military as well) surpasses Soviet technology and our domestic technology. Some publicists writing about the military are apparently ignorant of this fact. One may dare say that the gap in UIST [armaments and technical equipment] is not greater than the gap in nonmilitary technology. However, that does not change the fact that the countries of the West, which are reducing their armed forces, possess a technological advantage in UIST. Under these conditions, a general reduction is undoubtedly advantageous for those countries. Poland, which is reducing its armed forces, will remain in a more difficult situation in relation to the better-equipped armies of its neighbors. If one takes into consideration the facts of the German weapons industry's emergence as leader in the consolidation process in the European weapons industry, then prospects holding very little interest for Poland appear. The arms industry of Poland and the other countries of the former Warsaw Pact is in a state of agony. This is less true of the USSR's arms factories, but after the Iraq war it is apparent that even these have their good years behind them.

If today we cannot afford a strong and numerically large army and military stability and balance are worsening, then we have nothing left to do but reduce our armed forces and pay particular attention to upgrading weaponry. Our shortages are so great and armaments so expensive that special care must be dedicated to the organization of this undertaking. Upgrading the weaponry of the WP will take time—and not only because of the lack of money and because of the defense doctrine, about which so much has been said and written. Someday, we will have money and we will soon have a

doctrine, but working out cohesive weapons programs is itself unusually complicated. To begin with, it demands thorough familiarity with arms markets other than that which operated previously. This army should be qualitatively, not quantitatively, strong. There might not be money for purchases for some time, but specialists from the MON [Ministry of National Defense] must study world markets now. Today, when there is not yet money for purchases and cooperation, groups of specialized analysts who will research the arms market and study Western and Eastern development programs for new types of UIST, are already indispensable. There must be people who know languages, who do not shy away from computers, and who are very familiar with military equipment. The computer equipment used in the MON and the programs existing today can be a good informational tool to aid marketing analyses in the arms trade. The Department of Defense in the US, in spite of the many advisory groups it possesses at various command levels, recently formed a new Office of Simulation and Modeling to run developmental programs (for upgrading weaponry) to optimize the cost/benefit index.

Poland stands before a prospect for the coming years: the decline of political and military stability in our part of Europe; the jarring of the military balance; cooperation between the political and economic interests of Germany and the USSR (or its successors); the general reduction of troops in Europe, with an unfavorable outcome for the WP in regard to the quality of our arms; and the attainment by the Germans of the leadership position among European arms producers (which is especially apparent in developmental programs).

**Expenditures on Military Seen as Limited**  
*92EP0063A Warsaw GAZETA WYBORCZA in Polish  
6 Nov 91 p 15*

[Interview with Janusz Onyszkiewicz, deputy minister of National Defense, by Janusz Mlynarski; place and date not given: "Poor, but Safe?"]

[Text] [Mlynarski] Poland would like to join NATO. Have there ever been any chances of joining the pact?

[Onyszkiewicz] Poland never submitted an official application for admission into NATO. Hungary did, however, and as is well known, its expectations were not fulfilled. NATO is far from increasing the number of member countries. If we tried to follow Hungary's footsteps, we would, I believe, be treated similarly. We are more eager for the countries assembled in NATO to recognize that our security is in their interest and, consequently, is just as important as, for example, the security of Sweden was in the past.

In the days when military subversion was underway in the USSR, the leadership of the pact made a declaration that met our expectations and gave us a certain feeling of security. It signified that in the event of a threat to Poland, NATO would not remain passive.

[Mlynarski] I see that we have not departed from magical thinking: We still believe in promises.

[Onyszkiewicz] NATO did not define the form its reaction would take and that is normal. One does not show one's cards before the end of the game.

In spite of the fact that we did not announce a desire to join the pact, we maintain close contacts with it. The numerous visits of the minister of national defense, the chief of staff, and the recent visit of the president of the RP [Republic of Poland] attest to this. Prime Minister Bielecki will also visit NATO headquarters in the very near future. Our officers will also begin studying in NATO schools. The so-called North Atlantic Assembly is also worth mentioning. This is a parliament of sorts made up of the countries belonging to NATO. A Polish delegation will participate in its conferences, which take place on average twice a year. Last year in London during one of the conferences, Poland was given associate member status. This was not merely an honorary gesture. The Assembly of North Atlantic States is a forum at which talks on policy and security in Europe take place. We regard as a considerable success the fact that we can present our point of view there and also exert influence on issues that are fundamental to us.

[Mlynarski] The Army cannot make ends meet. How do we look with this deformity in the context of the other postcommunist countries?

[Onyszkiewicz] The Army really is poor, and the budget we have at our disposal I would be afraid to even call a stopgap budget. Rather, it is—as Minister Kolodziejczyk so aptly put it—a budget of agony. This does not mean, however, that the Army has lost its combat capability.

The situation in the Army may be compared to the situation in elementary education. When the education budget is cut, the consequences do not show up immediately, only after several years. In spite of this, I believe that our armed forces present themselves well against the background of our neighbors' armies. Moreover, the opinions of our neighbors confirm us in this belief. The so-called arms allotments that will be dedicated to Poland by virtue of the disarmament treaty are decidedly more favorable than when Poland was a member of the Warsaw Pact. At that time, the quantity of arms possessed put Poland far behind the GDR, Czechoslovakia, and even Romania. Currently, we are in first place.

Also, experts from NATO speak appreciatively of our military. They have a very favorable opinion of our military schools and the officer cadre. We really do not have anything to be ashamed of. However, when we run out of money, the future of our army will look rather bleak. We need equipment of the new generation. We have very little. We are in debt to our arms factories. Consequently, at this point how can we dream of making purchases abroad?

[Mlynarski] Russia lacks food—or is it impossible to propose a barter deal to them in this situation, for example, "you give us tanks, we'll give you potatoes"?

[Onyszkiewicz] Naturally, we have taken this sort of solution into consideration, but we gave it up because of the potential unpleasant consequences of this step. Importing arms from the USSR would introduce a certain dependence that we wish to avoid.

[Mlynarski] Three neighbors in the East have approached us. Does Poland intend to enter an alliance with them?

[Onyszkiewicz] The epoch of military alliances has passed. The only alliance that worked was NATO, and it should remain as a guarantee of stabilization and security in Europe. The creation of new pacts would slow down or out-and-out suspend the building of mutual security on the continent. Our opinion on alliances does not exclude, of course, the desire for closer cooperation with our neighbor countries. We entered such cooperation in the so-called Wyszehradzki Triangle (Poland, CSRF [Czech and Slovak Federal Republic], and Hungary). Our cooperation is based on a bilateral system of interdepartmental agreements.

We received Ukraine's Minister of Foreign Affairs Anatoly Zlenki in Warsaw with great satisfaction. We became convinced during our visit in Kiev that the Ukraine is eager for good relations with Poland. We would like to meet with the Ukraine's minister of national defense as soon as possible. The same goes for our other eastern neighbors.

[Mlynarski] The Kolobrzeg Motorized Regiment is stationed not in Kolobrzeg but in Przemysl. Does the strengthening of the garrisons along the border with the USSR mean that we are again looking for an enemy in the East?

[Onyszkiewicz] The fact that the decided majority of our units have been concentrated in the western part of the country was a result of our former military doctrine, according to which the enemy was in West Europe. Currently, we do not treat anyone as an enemy, but the Polish Army must be capable of countering any threat, no matter where it might come from. This requires an equal distribution of forces on the territory of the entire country. In practical terms, this means transferring units from the west to the center and east of Poland. That we will not be able to afford this uniform disposition of troops for much longer is another matter. The central and eastern parts of Poland are not prepared to accept new units because there is not even a sufficient number of barracks. We have nothing left to do but to take advantage of what we have at our disposal. Przemysl is obviously an element of this plan.

[Mlynarski] Plans for the future...

[Onyszkiewicz] First of all, we must create a civilian-military Ministry of National Defense. The plan for such

a ministry was already worked out by a group for which I served as chairman. It was accepted by the government and the National Security Council (in the presence of the president). I hope that the new government will introduce all of these changes as soon as possible.

### Popularity of Sokol Model Helicopter Viewed

#### Polish Pilot's Assessment

*92EP0074A Warsaw POLSKA ZBROJNA in Polish  
8-11 Nov 91 p 4*

[Interview with helicopter pilot Commander Zbigniew Smolarek by Eugeniusz Tomsia; place and date not given: "Why Doesn't the Sokol Spread Its Wings?"]

[Text] [Tomsia] In addition to flying as a test pilot for the Navy aviation force, you also cooperate with the Transportation Equipment Plant [WSK] in Swidnik. What does this cooperation consist of?

[Smolarek] Last year it became necessary to test the PZL (Polish Aviation Plant)-Sokol helicopter in the armament-equipped version—the W-3U1 Alligator-Salamander. It was suggested to me that I join the team that was to test this helicopter. It so happened that I had the pleasure of testing it in an assault operation and to demonstrate it at several local air shows. I did this also for some ground-forces aviation units.

[Tomsia] You mentioned air shows. I am sure you were not referring only to domestic shows. After all, you took part in the Paris 1991 aviation exhibit and elsewhere abroad.

[Smolarek] I was invited to Paris by WSK Swidnik, but I did not fly in the air show. Thus far, I demonstrated the Sokol abroad only in Germany, at the Lage airfield. My other demonstrations were made in this country on the occasion of Navy Day, when I showed the helicopter's rescue capabilities. But the most important air show for me was my participation in the famous Air Show 1991 in Poznan. Each of the international crews wanted to show its best side. Regardless of how I demonstrated the Sokol, this helicopter became known not for its piloting and operational advantages, but because of the controversial purchase of American helicopters, the Bell model.

[Tomsia] Before I ask you about the Bell, perhaps you will say something about the Sokol, what class helicopter is it, how is it piloted, and can it do a good job.

[Smolarek] I think that the Sokol is the underrated child of Polish industry. It often reminds me of the struggle by the Polish air forces to achieve their rightful place in the prewar armed forces, when the RWD planes were underrated by the leadership of the Polish air forces.

The Sokol is a good helicopter, but like all of our aviation equipment, it is becoming obsolescent. It is taking too long to put it into operation. The opinions of nonprofessionals and the lack of interest on the part of the true

specialists, are hurting it. For Swidnik, this helicopter was a success. Perhaps by accident. I am not sure whether it was supposed to be built like this. Possibly because we do not always believe that a Pole can make something which is really good. And this is indeed a good aviation product. That is how the pilots which operate it rate it.

The Sokol also has its shortcomings. I have already mentioned the first—it is becoming obsolete. Second, it was made for the Soviet market. And we can admit this openly, and must write about it. Soviet construction assumptions mitigate against it. Therefore, it has to be Europeanized. Especially as to operational services and radio-navigation equipment.

[Tomsia] Does this mean that nothing more can be done in this case?

[Smolarek] Purely as a hobby interest, the Navy aviation forces prepared a proposal for a modern version of a rescue helicopter based on the Sokol.

How does such a Sokol differ from the standard version? First of all, it has a modern radio-navigation system. It is equipped with airborne radar, a satellite navigation system, and an instrument-landing system. In addition, it has on board the latest French rescue hoist, whose price of \$100,000 is enough to attest to its quality. It also has modern Swedish amphibious litters and buoys, operating on a satellite system. And what is most important, the W-3RM Anaconda (rescue Sokol) did not suffer any loss of piloting capabilities after the above equipment was installed.

An unquestionable advantage of the helicopter's airframe is that provisions were made to install floats on its sides, making it possible to float on the sea, which I demonstrated many times.

[Tomsia] I gather that this would be the helicopter that the Navy aviation sea-rescue forces have wanted for a long time. It would be a good replacement for the Mi-2R and Mi-14PS, which have served us so well....

[Smolarek] We can honestly say that the Mi-2R is more dangerous to the rescuer than to the person being rescued. This is a helicopter that does not fulfill the basic conditions of searching for shipwrecks. It can pass the test for road-accident rescues, but not on the sea. That is what the Germans regarded as being important in overhauling the former GDR Mi-2 and using it for road rescue.

In sea rescue we must have a helicopter which operates under all conditions, regardless of the weather, and is very resistant to icing. It should be fully capable of rescuing, and not give the impression that it itself requires special rescue safeguards.

[Tomsia] Are there any other ideas?

[Smolarek] We foresee further modernization of the Sokol, because we do not want to stand still. Swidnik

wants very much to cooperate with us because it sees the possibility of developing new versions of this helicopter. For example, based on a stretched-out fuselage, we intend to build a rescue helicopter that will replace the Mi-14PS. Continuation of this construction concept would allow us to create sea-rescue equipment commensurate with the 21st century.

[Tomsia] In talking about the obsolescence of the PZL-Sokol, were you referring only to its armament? Because from what you say, the Sokol has a good chance of existing as a high class rescue helicopter. And what about its assault version?

[Smolarek] Yes, of course. The assault version of the Sokol, which is now being made ready, is definitely a temporary version. It is a version which answered just one question: Can an assault helicopter be made out of the Sokol? And in my opinion, the tests gave a favorable reply. In other words, an airborne landing-assault version can be made from the Sokol, but only if it is equipped with modern armament as quickly as possible.

This would be enormously important in the defense strategy of our country. It seems to me that we could build a good modern helicopter for the field of battle based on the planned Sokol-Long assault version.

[Tomsia] What stands in the way of this?

[Smolarek] One more condition should be fulfilled. The aircraft plant in Swidnik, about which I want to say a few words of criticism, must rid itself of the albatross of recent decades. This plant is not prepared to cooperate with various users in a changing economic situation. It must improve the quality of its engineering staff, to whom the latest trends in the development of armament systems, avionics and special equipment for helicopters throughout the world would not be foreign. This albatross, which affects WSK Swidnik, also has an impact on the opinions expressed about the Sokol. Unjustifiably.

It is fortunate that this has already been perceived by Swidnik's new management. We know that we cannot get rid of it overnight. But some drastic corrections must be made.

[Tomsia] From what you say, it appears that our army has not ceased to be interested in our Sokol.

[Smolarek] Yes. The Sokol is not receding from the army's field of vision. I was and still am very involved in this matter, because I handled the advertising of the Sokol at the air shows. But my opinion of the Bell is slightly different from what the press has published thus far. I believe that Bell is a good helicopter, just as is the Sokol. However, the comparison of the usefulness of these two helicopters in the wide range of tasks performed in the army was misunderstood. The entire "affair" pertained more to the question of what to use to transport the pope. And I still believe that the VIP version of the Sokol would be just as good for this purpose as the Bell-412.

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But I do not want to talk on the justifiability of purchasing Bell helicopters. I do not know the arguments. I am not officially involved in this and it is hard for me to say anything more on this subject. I like Bell just as much as every pilot who would like to fly it. But its specific piloting and navigational advantages should be discussed by the people who use it.

[Tomsia] Aside from helicopters, you have personal ambitions to modernize other naval aviation equipment. What achievement can you boast of in this field.

[Smolarek] The Navy aviation forces have found themselves in a peculiar situation, just as all of our aviation has. The Navy leadership has placed tasks in naval aviation in their proper rank and perhaps for the first time in its postwar history we understand this. Furthermore, its position on initiatives to modernize existing equipment is very favorable. We believe that we cannot wait for a modern airplane or helicopter with folded hands. Just as I mentioned earlier, without any great obstacles we are taking advantage of the hobby interests of our engineers and pilots to modernize our airships.

Let me cite at least two examples. The first: Two of our Sokols, contrary to the unfavorable opinion of already deceased General Mieczyslaw Sikorski, were equipped with weather-navigation radar. To date we have not received official confirmation of its usefulness for naval aviation, although we ourselves have proved their usefulness many times. Second: Due to the fact that the operation of the Limas has been terminated, we have added TS-11 Iskra [Spark] planes to our reconnaissance aircraft. But this type of plane had little reconnaissance capability at sea. Something in it had to be changed, so we installed American radar, RDS-81 made by King-Bendix, in it and thus far it is working out well.

Another example is the use of a new type of helmet for pilots. Personally, I fought for this for four years. I was 60-percent successful. Next, the question of flight suits for the flying personnel. The command leadership up to now has not been able to solve the problem of safeguarding an individual after he is ejected from a plane, and after all, several regiments are flying over the sea.. If an aviator falls into the sea in the wintertime in the kind of flight suit which is now in use, he cannot survive more than five-10 minutes. In order to prolong safe immersion in icy water, we had a standard flight suit made out of Austrian material by a private firm in Lodz. The Polish Ship Salvage Enterprise financed this undertaking for us. Today the personnel flying helicopters are equipped with these flight suits. They make it possible for a pilot to survive up to one hour in cold water, which certainly must be sufficient to be saved by a rescue crew.

[Tomsia] The problem of sea rescue in aviation is rather broad and requires separate treatment. It can be said with all certainty that a great deal still remains to be done in this area. In conclusion, please address yourself to the rescue capabilities of the equipment now owned by the Navy aviation forces.

[Smolarek] Navy aviation, in addition to sea-rescue tasks, is also charged with the task of saving human life 100 kilometers off shore. Hence I appealed to the Headquarters of Aviation and Air Defense to support our actions to supplement the required indispensable number of helicopters in order to organize a proper rescue system on the Coast. I repeat, a system, not individual facilities in organizational units. Without additional investment.... I have in mind the use of the Sokol.

What is the point of this? We have eight helicopters on order and if we want to set up a third sentry post in the western part of the sea coast, we need another four Sokols. In case of an aviation accident we simply want to get everywhere in time. Perhaps this appeal of mine in the columns of POLSKA ZBROJNA will bring results. Maybe the Headquarters of Aviation and Air Defense will become a sponsor and help us buy these helicopters. We, on our part, will guarantee the crews and organize a rescue system.

[Tomsia] Let us hope that it comes to that. Thank you for the interview.

**Foreign Buyers Interested**

*92EP0074B Warsaw POLSKA ZBROJNA in Polish  
31 Oct-3 Nov 91 p 4*

[Article by S.L.: "American Certificate for the 'Sokol'?" ]

[Text] We concerned ourselves with the matter of the Sokol. We described the vicissitudes of this helicopter, which is of completely Polish construction but also has the problems so typical of us.... We expressed the hope that the luck of the Sokol would change and the time for a better future would come.

Well, the Spaniards became interested in the Sokol. General Ramon Fernandez Sequeirosa, chief of the General Staff of the Spanish Air Force, while visiting in Poland, devoted most of his attention to the Sokol. He also said that if it were up to him then of all of the aircraft equipment shown to him, he would choose the Sokol.

The Spanish general looked at the Sokol in action. Spain does not produce helicopters, so we have a chance. Particularly because the chief of the General Staff of the Air Force of the Kingdom of Spain called attention to the enormous capabilities inherent in the Sokol.

But the chances for our helicopter do not depend only on the decision of the Spaniards, because Americans have also become interested. Representatives of two companies, Bell and Piasecki Aircraft Corporation, are now visiting WSK [Transportation Equipment Plant] in Swidnik.

The visit of the group of American specialists from the helicopter industry is related to the possible granting of a certificate.

An American certificate for Sokol and in general for our aviation industry would be a very big thing. The entry of the helicopter on the world market depends on this certificate. Such a certificate raises the ranking of our work.

Is this something that will happen immediately? Not really. John W. Piasecki, vice-president of Piasecki Aircraft Corporation, visiting in Swidnik, said that Sokol should receive such a certificate no later than spring of next year.

Hope is mixed with uncertainty. The workforce would like to speed up the time, but this cannot be done. After many tests and "wonderments" by Soviet experts, the time has now come for the test conducted by the Americans. Will Sokol survive this test? Will the people survive?

Our Ministry of National Defense cannot afford to buy Sokols.

The workforce, due to lack of funds, is awaiting mandatory furloughs. But one leaves on a mandatory furlough in a different mood if there is hope that foreign contracts will come in for the product, and differently if there is no such hope.

This hope is an American certificate for Sokol. Only the sale of helicopters, and above all the Sokols, can save WSK in Swidnik from bankruptcy.

We have hope that Sokol will receive this certificate.

#### Growth in Trade; Banking With Austria

92EP0111A Warsaw RYNKI ZAGRANICZNE in Polish  
No 130, 29 Oct 91 p 1

[Article by (mk): "Austria: An Increasingly Important Partner"]

[Text] For Poland, Austria is the fifth largest trading partner in terms of exports and the third largest in terms of the size of imports. According to Austrian statistics, in the first half of this year, exports to Austria from Poland increased by 15.9 percent and came to 2.67 million Austrian schillings. Changes in the commodity structure involved, mainly, a decline in the deliveries of foodstuffs (by 26 percent) due to a slowdown in the deliveries of live cattle and powdered milk. In turn, the export of coal increased considerably (by 35 percent), as well as that of coke (by 130 percent), iron and steel products (by 71 percent), lumber (by 33 percent), furniture (by 90 percent), metal products (by 155 percent), garments (by 69 percent), and toys and athletic equipment (by 770 percent).

Imports from Austria to Poland have been growing rapidly from the fourth quarter of last year on. In December 1990, such imports were 45.7 percent greater than in December 1989, whereas in the first half of 1991

they amounted to 114 percent compared to the corresponding period of the previous year. The value of deliveries came to 3.54 million Austrian schillings.

A devaluation of the zloty in mid-April of this year reduced the rate of growth only slightly (in May, imports increased by 77 percent, and in June, by 114 percent). Primarily, the deliveries of consumer goods (furniture, garments, watches, cosmetics, and pharmaceuticals) increased. In the group of foodstuffs accounting for one-third of total imports, increases occurred with regard to non-alcoholic beverages (by 2,180 percent), alcoholic beverages (by 1,090 percent), chocolate (by 541 percent), and coffee (by 94 percent). The import of supply items and producer goods also increased: that of raw materials by 70 percent, that semifinished products by 91 percent, and that of equipment and vehicles by 76 percent. This is a particularly favorable trend pointing up modernization processes that are underway in many sectors of the Polish economy. Austrian-Polish relations have also been maintained at a good level. The fact that an Austrian-Polish partnership was the first one in our country with foreign participation has more than just symbolic significance: At present, the Austrians rank fourth on the list of foreign investors in the 300 joint ventures in Poland, next to the FRG, the United States, and Sweden. However, the capital invested appears to be modest; it comes to about 300 million Austrian schillings. About 120 Austrian enterprises maintain representative and sales offices in Poland. The Information Bureau of the Austrian Economic Chamber operates in Krakow.

Stepped-up bilateral cooperation in the field of banking is a favorable phenomenon. The largest Austrian bank, the Creditanstalt, long associated with our country through financing various projects (hotels and industrial installations) opened a branch in Warsaw in September. The Warsaw branch of the bank will be geared to services entailed by privatization changes in Poland offered to both the Ministry of Ownership Transformation and domestic and foreign private clients. The Girozentrale (the central office of Austrian savings banks) is the largest member of the banking consortium which is financing the construction of a hotel and an office and banking center in Szczecin. Construction is being performed by the Ilbau company, which is well known in our country. Before the end of November, two Austrian enterprises are expected to complete the upgrading of production lines at the Paper Enterprise in Kostrzyn. Under a cooperation agreement between Siemens-Oesterreich and Elwro, automatic telephone exchanges for the public network will be installed in the Wroclaw region. It is expected that these exchanges will be produced by Elwro under a Siemens license.

Small and medium-sized companies from Austria are the most active in the Polish market. They are precisely the ones to contribute to the intensification of mutual economic relations. From this point of view, the raising of fees for guarantees of merchandise and service exports by the Austrian Kontrollbank, effective 1 July, should be

considered particularly unfavorable. The bank, offering insurance against economic and political risks, set the premium for providing export guarantees to Poland at four percent of the value of the guarantee. For comparison, the fee in the case of exports to Czechoslovakia and Hungary comes to 1.5 percent. The size of premiums for guarantees to secure contributions by Austrian companies to investment projects in Poland is likewise high. During his recent visit to Austria, Minister Ledworowski appealed to his Austrian counterpart for a revision of these arrangements which discriminate against Poland.

### **Major Points in Privatization Issue Reviewed**

*92EP0111C Warsaw RYNKI ZAGRANICZNE  
in Polish No 132-133, 2, 5 Nov 91 p 7*

[Unattributed article: "Reprivatization"]

[Text] In late August, a discussion of the draft law on reprivatization prepared by the Ministry of Ownership Transformation began in the Sejm. Let us recall at once that the issue of reprivatization per se has already been foreordained in a way by a provision included in Article 20, Paragraph 3 of the Law on the Privatization of State Enterprises, dated 13 July 1990. At present, the issue is primarily to establish guidelines and the extent of honoring claims.

Based on documentation, it has been established that between 1945 and 1959, a total of 20,740 enterprises of various sizes were taken over and converted to state property. Former owners and their heirs have been submitting for several years claims to recover, or be indemnified for, assets taken over as state property in the past. The number of claims filed with the Ministry for Ownership Transformation, other ministries, and the organs of local government administration has exceeded 70,000. They concern various kinds of assets, for example, land estates, forests, farms, lakes, large and small enterprises, mills, brick plants, service and manufacturing workshops, as well as "assets across the Bug." The Ministry of Ownership Transformation alone received (last year and this year through mid-July) 3,040 claims and 150 letters of a general nature, frequently accompanied by documents indicating that violations of law were committed when assets were taken over by the state.

These issues are considered in the mode provided for in Article 156 of the Code of Administrative Procedure. (In view of the fact that the Ministry of Ownership Transformation has no jurisdiction to resolve cases in this mode, claims sent to the Ministry of Ownership Transformation are referred for consideration to ministers who have jurisdiction over the subject of the claim.) In 1990 and through 15 July of this year, ministers with jurisdiction over the cases issued 261 resolutions stating that rulings on the takeover [of the assets] by the state were void. These resolutions affect primarily boarding hotels and hotels (in 79 cases), 65 mills, 41 bakeries, 30 brick plants, 28 manufacturing enterprises, five small

factories, four sawmills, four carpenter's shops, three butcher shops, and two pieces of real estate. In many cases, ministries reviewing these claims make decisions in favor of the petitioners. This is the case primarily with regard to situations whereby the assets were taken over as state property in violation of the law. However, a comparison of the above numbers clearly indicates the need for more general solutions.

This is proposed in the draft law on reprivatization. On this occasion, it is worthwhile to recall the basic intent of the law. The principal intent is expressed in the statement that redressing grievances which arose in conjunction with the takeover of assets and their conversion to state property on the basis of legal acts issued in 1945 through 1959 amounts to an important component of protecting property rights, which is one of the elements of the economic system currently being built. However, decisions on the extent of honored claims must first of all proceed from a study of their effect on the entire society.

Taking into account the consequences of reprivatization for the entire society, the Ministry of Ownership Transformation proposed in the draft law, a solution based on the following provisions:

- The extent of procedures for honoring and satisfying claims by virtue of reprivatization should be one of the elements facilitating privatization.
- Reprivatization cannot be based on the payment of full damages.
- The payment of compensation should be made in capital vouchers.
- The amount of compensation should be estimated.
- The community of persons entitled to file claims will be restricted to Polish citizens residing in the territory of the country only.

The subject matter of reprivatization proposed in the draft law includes assets taken over:

- In violation of the law (including farm real estate and forests).
- Without any legal basis and placed under mandatory state management (including the craft of inland river navigation).
- Which was left behind by individuals resettled inside the country (the "Vistula" campaign).
- On the basis of Article 3 of the law dated 3 January 1946, for which no indemnification has been paid.
- Pharmacies taken over pursuant to the law dated 8 January 1951.
- Manor and park estates taken over pursuant to the PKWN [Polish Committee of National Liberation] decree dated 3 September 1944 (with a limited area which is to be regulated by the law).

- Land under the waters of lakes and other bodies of water taken over on the basis of the law dated 30 May 1962.
- Finally, so-called "assets across the Bug" (real estate) the loss of which has not been compensated to date.

The value of claims with regard to assets covered by the draft law is estimated to be in the vicinity of 114 billion zlotys.

The adoption of a broader scope and different procedures for reprivatization would pose the threat of significant unfavorable social and economic consequences. First, the process of privatization would be blocked due to conducting the protracted and laborious determination of the owners and their heirs, as well as establishing the cost and value of the reprivatized assets. Second, the group of individuals benefiting from privatization will be made smaller. Third, the bulk of our society, people who did not previously own the assets taken over, will have to shoulder the great burden of compensation by virtue of reprivatization. Fourth, the feeling would emerge in society that those whose assets were taken over by the state and those who received low real wages when working under an inefficient economic system were not being treated equally which would pose the threat of the emergence of potent social conflicts, especially in working-class communities. Fifth, there would be the danger of impairing the entire legal order and thus bringing about the disintegration of the economy.

Finally, let us stress that, regardless of the final form in which the parliament puts the law, a lack of general regulations on the issues of reprivatization may cause the process of privatization to falter, and even bring ownership transformations to a standstill.

#### Privatization Procedures Undergoing Change

92EP0109A Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 13 Nov 91 p II

[Article by A.K.K.: "Another Look at Privatization"]

[Text] "The change in the structure of management and mode of ownership has been very traumatic to enterprises, and thus it is difficult to expect privatization to pay off immediately. The more so considering that the restructuring and recovery of the economic organism will take as long as two years," said Grzegorz Jedrzejczak, undersecretary of state at the Ministry of Ownership Transformation, during a meeting organized on 12 November by the Club of Economic Organizations (under the Warsaw Chapter of the Polish Economic Society). The meeting was chaired by the chapter's chairman Professor Jan Sliwa.

The ministry's representative declared that the initial concepts of privatization did not always prove true. At first, for example, it was planned to convert all state enterprises to joint stock companies. Now it can be seen

that such companies, with their two-fold system of management (governing board, supervising council) and complicated procedure for issuing stock, do not have to be the rule. It had been assumed that by year end the stock of 20 such companies would be quoted on the stock exchange, but now it is seen that the maximum will be 10.

Commercialization, i.e., the conversion of state enterprises to one-man treasury companies, was to be merely an intermediate stage, but it is now becoming a separate path of privatization. It serves to change the system of management thanks to management contracts, and thus one of the goals of privatization is being accomplished. But it is placing enterprises in receivership, previously viewed as a marginal solution, that has unexpectedly turned out to be the most important approach.

#### Effect of New Customs Tariff on Prices, Market

92EP0077A Opole TRYBUNA OPOLSKA in Polish  
29 Oct 91 p 3

[Interview with Jerzy Ruszkowski, director of the Ministry of Agriculture and Food Economy Department of Foreign Cooperation, by Marek Burczyk; place and date not given: "To Hit the Market Accurately"]

[Text] [Burczyk] The customs rates on agricultural and food products have been raised twice this year—at the beginning of April and the end of August. As we remember, the first of these corrections was criticized rather universally by domestic food producers as too low and thus inadequate. For nearly three months the new tariff rates have been in effect—at an average rate of about 30 percent. In the opinion of the Ministry of Agriculture and Food Economy, how are they doing their job of protecting domestic agricultural products from foreign competition that is unfair because it is highly subsidized?

[Ruszkowski] We are conducting an observation of the "performance" of the new rates together with the Main Customs Office. In our opinion they are effectively limiting the inflow of many foreign food products whose excessive, unrestrained import until recently constituted a genuine threat to domestic producers. From that viewpoint it appears that, at least for now—their level is appropriate.

[Burczyk] Is there another viewpoint?

[Ruszkowski] Of course. And it is—of equal value—the consumer's viewpoint. If, for example, there were to be a shortage of certain agricultural products on our market some day, it would be necessary, from that point of view, to resolve this dilemma: Maintain current rates, risking a significant increase in market prices, or perhaps—protecting the consumer—again decide on a specific liberalization of tariff policy. One example illustrating this dilemma might be the increase in pork prices—strong recently. It is a situation certainly favorable to hog farmers, but one observed with anxiety by ordinary consumers of sausage.

[Burczyk] Does this mean imminent prospects—this time—for an increase in tariff rates?

[Ruszkowski] Not necessarily. Rather, a different mechanism should start to operate here. If a tendency toward a strong rise in prices in some product groups proves to be relatively lasting—with its limits imports may become profitable. And this will surely be a healthy reaction of the economic market, which we should not stifle artificially, administratively.

[Burczyk] As a result of the operation of current tariff rates, what kinds of imports of foreign food products have undergone significant reduction?

[Ruszkowski] Imports of meat, sugar, grain, and butter have almost ceased. In general, if one finds foreign food products on our market today, they are clearly more expensive than their domestic counterparts, and their share of the product total is rather small. Some trading firms treat these goods as an extension of their variety of offerings, intended for better situated groups, more inclined to pay more for an item packaged more interestingly, more visually attractive. Certainly, in no way can one see the current proportions of food imports as "uprooting Polish agriculture."

[Burczyk] You mentioned that the current level of tariff rates—on the average—is at 30 percent. That means there are rates higher and lower than that level. So what are the import tariffs on citrus fruits, which—as we know—do not grow here, but which—because of dietary concerns—should have their proper place on our tables?

[Ruszkowski] That rate is 20 percent.

[Burczyk] But is this not—because of the health and dietary concerns already mentioned—a ceiling that is too high?

[Ruszkowski] I would not say that. Experience teaches that with the current level of tariffs, the structure of fruit consumption has also been subject to change, to the detriment of domestic fruits. And it is no wonder, since second grade bananas were—at the height of the fruit-growing season—the same price as plums and even cheaper than many varieties of pears. So excessive tariff liberalization could lead to a profound and durable change in consumption preferences, and that could be dangerous to our fruit growers.

### **Shipping Industry's Needs, Prospects Examined**

#### **New Ferry in Swinoujscie**

*92EP0113A Warsaw RYNKI ZAGRANICZNE in Polish No 129, 26 Oct 91 p 8*

[Article by Stefan Sokulski: "A New Ferry Terminal in Swinoujscie To Come in 1993; We Are Opening the Window to Scandinavia Wider"]

[Text] For many years now, they have been talking about the need to expand the ferry terminal in Swinoujscie. It

has been repeated that this is a "window to the world" and "the goose that lays golden eggs," and that a lot of money is to be made off servicing the traffic between Poland and Scandinavia and transit traffic from north to south. However, makeshift arrangements are the most durable things in Poland. Therefore, a shack imitating a ferry terminal has been standing for many years now, compromising our country in the eyes of foreigners and restricting ferry traffic.

The situation is improving slowly. We may even say that there has been an acceleration once we visit the construction site and familiarize ourselves with plans for the expansion and upgrading of the Swinoujscie terminal. This is all the more noteworthy because, after all, there is a shortage of investment capital in Poland, and any construction project means a fight for funds, materials, and deadlines.

The upgrading of the terminal began in mid-1988. At the time, it was planned to commission main facilities, one after another, until 1993. The investment project provides for building three new berths, including one for the Navy by way of compensation for ferry berth No. 4, taken over by the PZM [Polish Marine Shipping], as well as for upgrading two existing berths. In addition, a modern maritime terminal, elevated pedestrian walkways and railway and road overpasses, technical and repair facilities, parking lots, and the necessary service infrastructure will be built. The cost of the entire project will amount to more than 900 billion zlotys [Z] in 1991 prices.

What stage is the investment project at, and how does the ferry terminal in Swinoujscie operate at present? Perhaps, it is difficult to determine the percentage of work completed but work is underway at the entire construction site. Digging is underway to build ferry berth No. 2; ferry berths Nos. 3 and 4, at which ferries are usually moored, are being upgraded; berths Nos. 5 and 6 are being built by Hydrobudowa from Gdansk. It is planned that as early as this year, it will be possible to service ferries at berth No. 5, and in the first quarter of 1992, at berth No. 6. After berths Nos. 2, 5, and 6 are commissioned, work on remodeling berths Nos. 3 and 4 will begin. Therefore, if there are no obstacles, all berths will be ready for regular operation in 1993.

Of course, there are problems with contractors and financial problems. The Ministry of Transportation, which oversees the entire construction project, along with the construction of an airport in Warsaw, is the most significant transportation investment project in the country, would like the work to continue on a broad front. It would also like the entire undertaking to be completed as planned. The main investor, the PZB [Polish Baltic Shipping Company] takes a different view. PZB Director Stefan Gebicki stated that the shipping line from Kolobrzeg would strive to put individual berths and facilities in operation one after another, thus making it possible to improve working conditions and services to travelers more quickly.

It appears that the argument is somewhat academic. After all, everything is going to depend on funds and on their influx to the construction site. Nobody is in a position to foresee whether the money will flow in a stream, such as it does at present, or the valve will be closed somewhat, and the duration of construction for the entire undertaking will get longer.

It is planned to spend about Z350 billion on this investment project before the end of this year, out of which the PZB contribution will come to more than 53 percent. Next year, it is envisaged to spend Z450 billion, and in 1993—Z330 billion. However, in total, the PZB will contribute 30 percent to this undertaking, whereas the rest of the funds (about Z632 billion) will be contributed from the state budget. Unfortunately, no financial backing from the Polish State Railways and the PLO [Polish Ocean Lines] could be secured. Fees for the use of the ferry terminal are their only, and perhaps inadequate, contribution. Foreign partners with funds are not falling all over themselves either. This is all the more surprising because quite recently, the Swedes publicly offered aid for expanding the Swinoujscie terminal.

The significance of the investment project is indicated best by the fact that in 1990, the ferry terminal in Swinoujscie accounted for the following shares of total ferry traffic: 77.4 percent of passenger traffic, 83 percent of passenger car traffic, 94 percent of truck traffic, and 95 percent of freight shipment.

After the completion of construction, that is, in 1993, the terminal will be able to accommodate about 1 million passengers (493,000 in 1990), 185,000 passenger cars (110,000), 150,000 trucks (58,000), and 3.6 million tons of freight (1.1 million tons). Director of the Technology Department in the Ministry of Transportation and the Maritime Economy Bogdan Chudziak estimates that the service capacity of ferry traffic will increase by a factor of more than 2.5 as a result of expanding the terminal.

This is a lot, we might say, a whole lot. We should even consider whether we will be in a position to properly manage and use the new transportation facility. This cannot be done without new ferries. However, this is an altogether different topic. We will examine it on the occasion of providing information about the Polish Baltic Shipping Company.

#### Baltic Shipping Company

92EP0113B Warsaw RYNKI ZAGRANICZNE in Polish  
No 132-133, 2, 5 Nov 91 p 8

[Article by Stefan Sokulski: "Polish Baltic Shipping Company Is Awaiting Ferries and a New Facility"]

[Text] The Polish Baltic Shipping Company, a ship-owner from Kolobrzeg, provides both the shipment of cargo by small freighters and ferry transportation. Despite the fact that the freighter fleet, which includes, 11 vessels is larger, ferry transportation is the main line of business of the enterprise.

From a conversation with PZB [Polish Baltic Shipping Company] Director Stefan Gebicki, I concluded that the issues of vessels and the construction of the ferry terminal in Swinoujscie are currently the most important issues for the shipowner. I have already written about the construction and remodeling of the Swinoujscie terminal in RYNKI ZAGRANICZNE. It is worthwhile to add only that the PZB, as the main investor, would like to put individual facilities in operation successively, and thus consistently improve working conditions and services for travelers.

As far as the ferry fleet is concerned, the PZB currently has six vessels. The Rogalin is operating under a charter in Ireland. The Nieborow and Silesia ferries service the Swinoujscie-Ystad line, the Lancut services the Swinoujscie-Copenhagen line, the Pomerania services the Swinoujscie-Helsinki line, and the Wilanow sails the Swinoujscie-Ystad route periodically. The roll on/roll off system ship Parsenta, which sails to Ystad and Copenhagen, is something of an addition to ferry traffic.

I have written that the PZB has six ferries; however, arrangements for ownership and the use of the national flag are Byzantine. For example, the Nieborow ferry sails under the Polish flag, but it is a vessel chartered by the PZB from the Swedish shipowner, Stena Line, and registered to a Nassau, Bahamas company. The Kolobrzeg shipowner also owns a company on Cyprus and plans to set up yet another company in Panama. These are so-called paper companies; the registration of a company in Cyprus costs about \$10.

As Director Gebicki told me, negotiations are underway with the French, the Finns, and the Swedes concerning the building of new ferries. It is unknown which offer we will opt for. All we would want is for the partner to agree to provide 100 percent in credit, and for the two ferries ordered to reach Poland in 1993. At issue are vessels larger than the ones currently in operation, and primarily more modern. They should have at least 750 berths in cabins (ours have about 400 each).

Dispatch in finalizing negotiations is all the more appropriate, given that a contract with Argentina fell through because a shipyard there went bankrupt. Besides, our ferries are very old, and therefore, they do not provide necessary comfort for passengers and do not have so-called weatherly qualities.

It is common knowledge that ferry transportation is a good business. However, views of the proverbial "goose laying golden eggs" have differed in Poland. Let me recall only that in 1984, the PZB was on the brink of bankruptcy, to which many ill-considered political and economic decisions had contributed. Only in recent years have the authorities begun to take a more favorable view of ferry transportation, being aware that profits from the operation of ferries should not be disregarded.

Last year was good, and this year also promises to be good. Wladyslaw Politewicz, the captain of the Nieborow, even thinks that 1991 is going to be one of the

best in the history of ferry transportation. During the summer season, 100 percent of the cabins were used on the Swinoujscie-Ystad line, and on occasion passenger cars were left behind at the pier.

We should hurry along with our investment projects because competition is keen. They are preparing to start a new Baltic connection, from Rostock to Trelleborg. The Sasnitz-Trelleborg line is a continuous threat to us. However, our transportation route through Scandinavia to the south of Europe is the shortest and the fastest. The only objective is to maintain the appropriate condition of this line, and to ensure good traveling conditions for passengers and for the transportation of freight.

In this instance, Poles from Sweden, with their families and not-too-affluent Swedes, account for the bulk of passengers. These are special passengers; they do not spend money on the ferry and they bring their own food. However, at the same time they have high requirements. It is for such clients that we must organize transportation services. PZB Director S. Gebicki said that five ferries, a good organization of traffic, and proper services for passengers will suffice for us. We cannot count on either rich tourists or millions of customers. At present, we carry between 500,000 and 600,000 passengers; at best we can go to 800,000.

The upgraded ferry terminal in Swinoujscie is designed to serve approximately 1 million travelers. Therefore, are we to reckon with foreign ferries also putting in at Swinoujscie? The Ministry of Transportation favors this solution, but the PZB believes that our own resources will suffice. I think that the development of ferry transportation depends on many factors, and at present it is hard to predict what kind of traffic will go across the Baltic Sea several years from now. However, it is good to have a ferry terminal with a certain amount of slack, and to have an opportunity to operate several new and modern ferries which will provide proper conditions for the clientele.

#### Upturn in Ocean Lines

*92EP0113C Warsaw RYNKI ZAGRANICZNE  
in Polish No 136-137, 12, 14 Nov 91 p 8*

[Article by (S. Sok.): "Floating to the Surface"]

[Text] Shipping lines are going through a difficult time, along with the entire economy. However, results from recent months indicate that a certain improvement of the economic standing of the PLO [Polish Ocean Lines] has occurred. A marked improvement is still far away, but the decline, which grew worse from one month to the next, has been halted.

Despite the fact that the fleet of the shipowner from Gdansk consists of only 89 vessels now, in the first half of this year, they succeeded in carrying 2,915,000 tons of

freight, which is 217,000 tons more than in the corresponding period of 1990. Unfortunately, the improvement in economic performance was insignificant because costs of operation continued to grow as a result of a high rate of inflation.

The prospects are good for the Israeli route of the PLO which has been restored after a break of 20 years. Once a month, this route is served by three general cargo ships—the Garwolin, the Radzionkow, and the Siemiatycze. The ships carry metal products and general cargo to Israel, and sail out of Haifa with chemicals and manufactured goods for customers in Poland and in Western Europe.

Cooperation with the Israeli forwarder is developing smoothly. The supply of imported freight is not bad; however, the situation with exported goods is worse. The management of the Mediterranean service of the PLO believes that the limited supply of freight for exports is temporary and plans to add a fourth vessel on the route in the fall.

In 1990, the vessels carried 83,000 tons of freight on the Israeli route, some in freight containers. This year, further increases in freight carriage may be expected.

The fleet continues to be a problem for the PLO. Most of the vessels in service are old, retirement-age ships which are at the end of their service at sea, and are becoming less and less profitable.

This year, the general cargo vessel Ciechocinek, a ship from the same series as the Busko Zdroj and the Kudowa Zdroj, which were tragically lost years ago, retired from laborious service after 21 years of sailing in PLO colors. Since its first trip in 1971, the Ciechocinek has sailed to the ports of the Baltic and North Seas, carrying about 1 million tons of freight on 528 trips.

The vessels Bronislaw Lachowicz, Leningrad, and Oswiecim were also retired this year. One of the two still sailing "Zdroj" series vessels, the Naleczow, recently logged its 500th trip, and surprisingly still has so-called weatherly qualities. Throughout its entire hard-working life, the Naleczow has sailed British, Scandinavian, and German routes. It has carried close to 800,000 tons of freight, including containerized, on its 500 trips.

While getting rid of its old vessels, the PLO is simultaneously placing orders for new vessels at domestic and foreign shipyards. It is already known that, out of the 10 vessels on order, six will be built at the Gdansk Shipyard, and two at German enterprises. This year, the shipowner from Gdansk may count on the delivery of only two modern vessels, including a container ship from the Flensburger Shipyard. The delivery of two vessels is also planned for 1992—one vessel from a German shipyard and the fourth vessel from the Cegielski series, the Katurakis.

### Gdynia Shipyard Prospects

92EP0113D Warsaw RYNKI ZAGRANICZNE  
in Polish No 138, 16 Nov 91 p 8

[Article by Stefan Sokulski: "The Gdynia Shipyard Will Become a Partnership; The Portfolio of Orders Is Growing"]

[Text] The Gdynia Shipyard is one of the best equipped and modern enterprises of the shipbuilding industry. At the same time, it is one of the few shipyards in Europe capable of building large vessels. Among other things, bulk carriers of up to 400,000 DWT [deadweight tons], tankers, carriers of chemicals and liquefied petroleum or natural gas, roll on/roll off system vessels, and container ships may be built in Gdynia.

Given the current environment, a growing interest in these particular vessels on the part of shipowners is registered. It should be added that the Gdynia Shipyard has already built many vessels of this type to exacting international, technical, and quality standards. At present, the portfolio of the shipyard includes contracts to build 10 vessels costing \$207.76 million in total, out of which three are bulk carriers for the French shipowner L. Dreyfus, and two are tankers for the British shipping line Zenith. Five fishing vessel hulls, which cost \$4.13 million, are also being built.

The fact that the production capacity of the shipyard is at 30 percent utilization at present best testifies to its difficulties. However, it is gratifying that 28 vessels which cost about \$900 million are currently at different stages of negotiations. Among other things, the negotiations involve building a 150,000 DWT bulk carrier, three tankers of between 90,000 and 114,000 DWT, and two 280,000 DWT tankers. The possibility is there for contracts concerning these ships to be signed very soon. If they succeed in signing the prepared contracts, the utilization of the production capacity would increase to 80 percent by 1994. This would be a sign of getting over a low point in production.

Financial issues remain a problem for the shipyard. As of 31 August, liabilities exceeded Z2 trillion, out of which more than Z800 billion to suppliers, Z400 billion to the budget and the ZUS [Social Security Agency], and Z700 billion to the banks. Therefore, the shipyard is threatened with a loss of financial liquidity, and insolvency. Fortunately, it has a program for overcoming the debt problem, which was incorporated in plans concerning its transformation into a one-person partnership of the State Treasury and subsequently into a private enterprise.

The Ministry of Ownership Transformation has already consented to transforming the shipyard into a partnership; the request will soon be submitted to a meeting of the Council of Ministers. We should add that the transformation will occur in keeping with the shipyard's own business plan developed without the participation of

foreign consultants, but only after the enterprise met certain organizational, personnel, and economic conditions.

Among other things, the consent of banks and suppliers is a precondition for the transformation. The banks have stated their intention to convert debt into contributions of capital to the joint-stock company, and have undertaken to discontinue the capitalization of interest and to convert past due debt into working capital at regular rates of interest.

In turn, the continuation of deliveries as long as current payments are being made, a reduction of interest, and the successive settlement for amounts payable have been agreed upon with the principal suppliers. Due to these agreements, the transformation of the Gdynia Shipyard into a partnership will not amount to merely changing the sign, but also to a specific opportunity to continue operating and to subsequently privatize.

After many years of stagnation, the shipbuilding industry is floating to the surface, and may once again become a leading sector of the national economy. These developments are in line with European trends; EEC countries are very expressly betting on the shipbuilding industry.

### Growth in International Bus Transportation

92EP0110D Warsaw RYNKI ZAGRANICZNE  
in Polish No 127, 23 Oct 91 p 8

[Article by (Sok.): "New Bus Routes"]

[Text] International bus transportation is beginning to win over a growing number of supporters. This is happening chiefly because of the competitive prices of bus travel compared with rail or air travel, and of the more convenient connecting routes.

According to Andrzej Wargin, director of the International Automobile Transportation Enterprise of State Automotive Transportation [PEKAES], bus routes will continue to be expanded so as to satisfy the needs of consumers. Early in October (on 4 October) the new and anticipated Katowice-Munich route through southern Poland, with stopovers at Gliwice, Opole, Wrocław, Olszyna, Hof, and Nuremberg, was opened. And on 20 November a northern route linking Olsztyn with Bremen, including stopovers in Gdańsk, Koszalin, Szczecin, and Hamburg, will be inaugurated. During the summer season that route will be extended to Mragowo and Gizycko.

On both routes buses will cruise once a week. Departures from Katowice will be on Fridays; from Munich, on Sundays; from Olsztyn, on Wednesdays; and from Bremen, on Fridays.

There are plans to open a bus route linking Warsaw to Prague and Budapest.

At present a bus trip from Katowice to Nuremberg costs 96 German marks [DM] (or DM150 for a roundtrip) and to Munich DM108 (DM172 roundtrip). Passengers with Polish passports pay in Polish zlotys according to the currency exchange rate set by the National Bank of Poland. Children, pensioners, and group tours benefit from substantial discounts.

### **ORBIS Restructuring Based on Tourism Growth**

*92EP0111B Warsaw RYNKI ZAGRANICZNE in Polish No 127, 23 Oct 91 p 7*

[Unattributed article: "Privatization and Restructuring of ORBIS"]

[Text] The Ministry of Ownership Transformation adopted a concept of restructuring for the ORBIS company, with the participation of experts from the company Rothschild Sons, Ltd., and upon consultations with the management and trade unions.

ORBIS is a multifacility enterprise with varied lines of business. It operates:

- Fifty-seven hotels, out of which 55 are wholly owned.
- A national chain of travel agencies, which includes 151 sales outlets organized into eight regional networks.
- A transportation enterprise.
- Two divisions specializing in domestic and foreign tourism.
- A network of 19 international offices.
- A certain number of joint ventures, including partnerships for building hotels, effecting credit card settlements, and selling insurance. The company has about 16,500 employees, out of which 25 percent are in tourism and 75 percent are in hotel operations.

The following objectives of the privatization of Orbis have been assumed:

- Setting up a competitive tourism industry enterprise in Poland that would offer world-class services by using the personnel and facilities of ORBIS.
- Ensuring the influx of capital for the purposes of remodeling and improving the standard of individual hotels.
- Creating an efficient corporate structure based on dynamic management and labor force participation.

In the past, ORBIS operated as a monopoly in a well-known and easily predictable market in which subsidized demand exceeded supply. The situation of the company in the future will depend on its ability to adjust to the more demanding, variable, and highly competitive environment of an open tourist market. The investment needed is estimated to come to between \$400 million and \$500 million. A study suggests that ORBIS is an attractive partner for potential investors. It has a strong position in the market, experienced personnel, properly located facilities, and a good (though deteriorating) financial standing.

A holding structure controlling two branch companies, one for hotels and one for tourism, has been selected as the best organizational model. The holding company would procure and invest capital.

The branch companies will engage in autonomous current operations in the sphere of hotel services and broadly interpreted tourism. Gradual privatization of the company, including the sale of some hotels and the acquisition of foreign and domestic partners for joint ventures in operating hotels and offering tourist services, would proceed within the framework of the organizational structure mentioned above.

The privatization of travel agencies is expected to end in the fourth quarter of 1992, and the privatization of hotels before the end of 1993. The privatization concept calls for selling two hotels, the Monopol in Gdansk and the Grand Hotel in Warsaw, as early as 1991.

We must hurry because the Hungarians and the Czechoslovaks are also putting their hotels up for sale.

### Analysis of Wide-Ranging Readers' Poll Results

92BA0163A Bucharest ROMANIA LIBERA  
in Romanian 15 Nov 91 p 5

[“Text” of public opinion poll analyzed by the “Catharsis” Agency for Psychosocial Services: “Readers’ Views of the State of the Nation”]

[Text]

#### Public Opinion Poll

An analysis of the extensive correspondence received by ROMANIA LIBERA from its readers has resulted in an inventory of the society’s concerns for the past two years.

The identification of the focus of social interest as the major source of dissatisfaction has supported the forecast of events validated in social life.

This public opinion poll identifies the population’s major topics of interest (keeping in mind that the poll is based on responses and correspondence from ROMANIA LIBERA readers).

The complexity and magnitude of the problems under examination have dictated that the results be presented beyond the strict format of a public opinion poll, selecting instead a qualitative and comparative presentation, using 1990 as the reference year for the inception of social change.

#### 1. Degree of Population Participation and Involvement

We note a general increase in the level of activism of the population: its sensitivity to socioeconomic and political events has grown, and its receptivity potential to such matters has developed.

All the mass participation events that have taken place have released existing human behavior blocks to reaction and manifestation.

The geographical areas of problem awareness include practically all regions of the country. Large percentages have been found for the Bucharest region (47 percent), which (under these circumstances) is also notable by its exceptional sociopolitical interest and activism, the Muntenia region (13 percent), the Transylvania region (12 percent), and the Moldova region (11 percent). Lesser participation (10 percent) has been found in rural areas where information and expression possibilities are limited.

The degree of involvement of the population differs as a function of its bio-psychosociocultural characteristics.

In terms of age characteristics, all ages—starting at 19-20 and up to 70—are involved. The heaviest concentration of problem awareness lies in groups older than 50 (58 percent), people who are generally faced with exhausted material and financial resources and with incomes that are low with respect to current prices and galloping inflation. The age groups that have serious difficulties in

restructuring their adaptive model to integrate into the new socioeconomic situation, are those between the ages of 40-50 (17 percent). The most affected groups are those between 20-30 (15 percent), who are encountering serious difficulties integrating into the highly deteriorated and disorganized national economy, and those between 50-60 (24 percent), 60-70 (22 percent), and over 70 (11 percent), which in addition to the difficulties already mentioned, perceive problems seriously and clearly as a result of their experience and age.

In terms of sex characteristics, differences in the involvement of men and women are insignificant, indicating that women also actively participate in the country’s socioeconomic and political life (52 percent men, 48 percent women). Although the presence of women in representative and management functions has dropped, they retain their active role in family and professional work, in the face of serious difficulties. The participation of a more highly trained population prepared for solving problems appears to have increased (61 percent). The participation of those with elementary training, ready for direct reaction (protests, demonstrations, revolt), is very low (4 percent). A moderate proportion (35 percent) of the population has intermediate training, distributed into a multitude of activities, some of which are affected very little by social changes. The majority of involved socioprofessional categories are intellectuals (50 percent) and retirees (21 percent), who although equally affected by events, demonstrate better capabilities to understand and solve problems. Although confronted with serious problems (particularly economic), the workers maintain a reserve of expression possibilities that appears to be lightly represented (17 percent). The low involvement of farmers (7 percent) signifies on one hand the slow dissemination of information in villages, and on the other hand a certain concentration of interest on specific agricultural problems in the expectation of essential transformations. The rest of the population, students of all kinds, and other socioprofessional categories that are being formed or restructured, prefer other forms of manifestation and are less involved (7 percent). According to the sociofamilial statute, the population integrated in families represents a higher involvement (69 percent) in social and political life, a situation justified by its greater responsibilities (63 percent of the subjects have children).

#### 2. Primary Interests and Concerns

Quantitatively, interests are distributed among the following areas: 24 percent political, 23 percent social, 22 percent economic, 17 percent legal, and 15 percent cultural. It should be mentioned that in this category of answers, legal and cultural problems accounted for a small proportion, and then only in connection with situations of a socioeconomic or political nature.

##### A. Political Area

Heightened current sociopolitical problems: 32 percent.

As a whole, the population perceives the country's political situation as a state of crisis determined by political instability, heightened tension, confusion, deception, abuses. Those in power are disparaged and accused of incompetence, superficiality, lack of honesty, corruption, aggressiveness, and thirst for power. Relations between them and the population are unacceptable, with the people feeling frustrated, isolated, ignored, or manipulated in some situations. The negative image of the political situation in the country is not presented at the present time with a strong and viable alternative through unified democratic opposition forces.

Persistent communist structures and attitudes: 28 percent.

The major characteristic of the present political system is considered to be the persistence of structures and attitudes that perpetuate communism in new forms (neocommunism), and succeed in strongly resisting attempts to establish a true democracy. Particularly cited in this respect are bureaucrats who occupy key positions in the power structure.

Serious injustices and compromises generated by specific political circumstances: 15 percent.

The historical facts determined by political circumstances unfavorable for the country are perceived as great injustices with harmful ultimate consequences for the Romanian people. Among these are the occupation of Bessarabia, the overthrow of the monarchy, and the establishment of communism.

#### B. Social Area

Society's moral and spiritual crisis: 35 percent.

Social life appears to be dominated by a powerful moral and spiritual crisis characterized by the lack of a system of values (as reference system), the proliferation of reprehensible actions and deeds (corruption, abuses, lies, speculation, aggressiveness, thefts, and so on), and the existence of a deficient penalization system. There are examples of deteriorating integrity, as well as of the need for legality and truth. The unfavorable social climate is emphasized by the spiritual crisis evidenced through a diminished Christian attitude towards fellow men and life, and a weakened faith. All of this contributes to lower morality, hope, and faith in the future.

Low concern for solving social problems, particularly social welfare: 32 percent.

The responses claim that many social needs, such as living space and conditions, adequate food supplies, medication, services, transportation, and public assistance, are unaddressed by those responsible for them. Cited are the inadequate provision of public assistance in terms of pension, salary, and income levels in general, and coverage for the unemployed as well as socially disadvantaged categories (the aged, sick, orphans, and handicapped), and work safety standards (conditions, quality, creation of new jobs).

Unsatisfactory level of the population's culture and education: 9 percent.

Singled out are a low level of general education, a mentality characterized by naivete, credulity, superficiality, and poorly motivated and committed behavior. All of these could be corrected by intensifying the concern for fully utilizing resources for accumulation, adaptation, and modeling.

#### C. Economic Area

Reduced standard of living: 53 percent.

The general deterioration of the economy is directly reflected in a reduced standard of living and the quality of life in general, through major financial difficulties with respect to high prices and runaway inflation. The tolerance threshold appears to have been reached, beyond which there exists a real danger of social upheaval. Many respondents consider the reduced standard of living, not so much as the price of "reform," but as an effect of mistakes in its planning and implementation.

Serious deterioration of the national economy: 29 percent.

Most often mentioned is the disorder of the economy, to the point where people perceive it as "chaotic," with consequences on productivity, product quality, and services. The failure of the industrial economy is not compensated, as might have been expected, by the results obtained in agriculture. The Land Fund Law did not meet the needs of the economy and the expectations of those involved in agriculture. Inappropriate structures and forms of organization persist, hindering initiative, investments, credit, and agricultural development in general.

Distressing prospects for economic reform: 15 percent.

The economic reform conceived by the government and readily accepted by the population is considered inappropriate for the country's conditions and for extricating it from its predicament. Particularly condemned is price deregulation, resulting in exaggerated price increases without a corresponding production of goods, economic recovery measures, and true privatization. These errors are considered to have led to a compromised market economy, lowered credibility, and discouragement. The focus of interest was also shifted from economic needs and problems to predominantly political problems, a fact which indicates a higher capability for evaluating social phenomena as a whole, and which has shaped a critical and unfavorable attitude toward the country's leaders.

#### 3. Consciousness Raising About the Sociopolitical and Economic Situation

Explanatory, causal responses predominate, led by value judgements and definition of causal relationships. The

explanations offered by the respondents draw attention to the following groups of root problems.

I. Incompetence and inability to lead and govern: 34 percent.

The essential placement of blame on the administration for the failings of socioeconomic and political life is a direct consequence of all the recorded management and government breakdowns. The population perceives these breakdowns as incompetence—a lack of attributes required for the functions being performed, and inability—in the sense that the administration is overwhelmed by the magnitude and seriousness of the situation. Incompetence and inability are interpreted as the present leadership's "disinterest" in democracy, its lack of experience with new requirements, its "amateurism," "dilettantism," "political liability," as well as its refuge in bureaucracy and other old government methods.

II. Persistence of communist structures and attitudes: 23 percent.

The population sees the perpetuation of communist structures and attitudes of that type to be due to the "stubbornness" of Communists in retaining and monopolizing power, commenting that "the Communists are still in power."

The arguments used are the maintenance of bureaucrats in state and party management, the presence of a communist majority in Parliament, government, the FSN [National Salvation Front], and in some parties directly serving the administration. Their presence in leadership and management jobs has created a crisis in all fields, delayed and compromised democratization and reform, generated an unprecedented climate of corruption, blocked socioeconomic mechanisms, encouraged attacks against human beings, and ultimately led to disorientation, lack of motivation, poverty, and sickness.

One consequence of maintaining communist structures and attitudes is the lack of domestic and foreign credibility toward the present "neocommunist" leadership.

III. Deterioration of the sociopolitical climate: 21 percent.

Perceived as an acute crisis situation, the political climate is generated in a large measure by the penetration ("rooting") of the communist mentality among the masses, almost to the point of physical and moral destruction of the Romanian national existence. This is the background for understanding the administration's motivation to remain in power "at any price," due to "the leaders' fear of being made responsible," "dread of losing their privileges," and "thirst for power." Their

instruments are generalized corruption, abuses, reconstitution of the Communist Mafia, protection of nationalism and extremism as (specific) communist traits, lack of scruples, opportunism, bureaucracy, reinstatement of repression, and so on.

Three explanations are found for the present crisis situation: maintenance and monopolization of power at any price; lies, deception, and demagoguery as defining features of political life; suspicion of intent to impoverish the population and further damage the national economy.

IV. Disastrous situation of the economy: 7 percent.

The reform (mistakenly planned and implemented) and the economic legislation (considered unsatisfactory as a whole) generate many economic, social, and political difficulties. The industrial crisis, stagnating agriculture, financial obstruction, and resources poorly allocated to social assistance and protection, are due in great part to the economic failure and chaos, and by implication to the inability of the present leadership and government. Far from stimulating, instead of releasing and organizing human energy, the so-called reform proved to be nearly nonexistent, bringing change on the surface but with a traumatizing effect, being considered either as a "great challenge" or a "lie," but in any case as an action belonging to people with little responsibility, that has led not only to stagnation and retrogression, but also to a true "disaster" and "economic chaos."

V. Disinformation and manipulation of the population: 6 percent.

The administration's attempts to influence and retain control of the population through disinformation and manipulation are considered the cause of the political and social decline. Disinformation and manipulation combine all possible forms for resisting and maintaining the supremacy of neocommunist power, and due to the low level of political experience, also include the retained communist mentality, which encourages not only "the inability of the masses to be aware of the manipulation," but also symptoms of infantilism or political apathy.

The most frequently used means and instruments of disinformation and manipulation are television (through its great ability to propagate lies and half measures, and to skirt the truth), the communist and extremist press, shifting interest away from true problems, especially by exacerbating nationalist emotions, and various forms of dividing and discrediting the opposition and its leaders; all these are measures through which "the man in the street feels confused in all his decisions," "power is retained in addition to occupying management roles and holding on to state property," strengthening repression agencies, and "militarizing power," as some of the respondents have stated.

VI. Lack of unity and firmness in the opposition: 3 percent.

The lack of political experience, the lack of democratic knowledge, attitudes, and customs, justified by the years of totalitarianism, are evident in the behavior of a large portion of the opposition. Both parliamentary and extra-parliamentary opposition are difficult to form as a viable alternative to the present management formula.

Other aspects of the opposition are its heterogeneity, lack of the strength that is required to counterbalance the administration's strength, poor possibilities to communicate and become established in the political landscape, and lack of firmness.

#### VII. Inadequate legislation and justice: 2 percent.

References to the crisis, shortages, corruption, and other negative qualifications of socioeconomic and political life are logically related to the observation that the Constitution, as well as legislation and justice, are inadequate. Laws do not match political changes, denying long-awaited rights; actions that disturb public order are praised in December 1989, but punished in June 1990 and September 1991. They leave room for broad interpretations, which at times are contrary to each other; participants in the events point out that the "15 November" protest group in Brasov was condemned and rehabilitated on the basis of the same law. Economic legislation cannot cover abuses, illegal gains, corruption, or "nationwide business," nor does it provide the reparations expected by those who have been wronged. Criticism of the Constitution includes its "indifference to Christianity," the fact that it is not based on the 1923 Constitution, and that it is in essence a communist constitution. The frequent conclusion is that justice is poorly tuned to the requirements and needs that it must satisfy.

#### 4. Social Potential and Maturity

The population shows greater demonstrativeness, a greater ability to achieve awareness and solutions, with a predominant interest in political sphere problems.

In order of frequency, the suggested solutions are:

#### I. Replace the administration structures with a competent and honest leadership: 21 percent.

In the population's understanding, administration structures refer to the government party, the government, Parliament, and the presidency, assimilated as communist structures. The major criticisms leveled against the administration are its inability and incompetence to propose and sustain a recovery program for the country, a heightened economic disaster, deepening social conflicts and tensions, unprecedented propagation of corruption, discredit to the country's image, and progressive decline in credibility. With respect to the very beginning, the population notes a departure from proposed objectives, feeling frustrated, misled, and betrayed in its expectations.

#### II. Elimination of communist structures and attitudes: 15 percent.

The presence of communist structures is noted at all organization levels, being considered as dominant in all areas; they perpetuate old attitudes and methods, acting as obstacles to restructuring, reform, and progressive efforts. In the present context of openness to democracy, the elimination of communist structures and attitudes becomes a necessity.

#### III. Promotion of genuine reform: 12 percent.

The disagreement voiced toward the resigning government results directly from the gap between people's expectations, promises made, and practical results obtained. The "reform" movement currently has a strongly negative image, being viewed as a theoretical program subordinated to political (and electoral) objectives, ignoring the country's economic and social reality, lacking the possibility of solving the present crisis, and without credibility for the future. The positive aspects perceived for the reform are reduced by the difficult implementation conditions; the weak privatization is burdened with bureaucracy and devoid of financial and material support. The flawed government approach is painfully felt in the underscored economic disaster, the reduced standard of living, and a worsened life for the majority of the population. The failure of the reform is considered to be a direct consequence of communist structures and attitudes in the administration. The need to escape the crisis is acute, and it could be achieved through a proposed program of credible factors. The subjective factors for supporting change—initiative, output, motivation to work—can be stimulated through an extensive privatization of industry and the banking system, services, and trade, and through total privatization of agriculture. This would develop a market economy characterized by production, good product and service quality, so as to meet domestic needs as well as to encourage exports. As a result, price liberalization would reflect genuine competitive conditions, and not an arbitrary increase.

To reduce the effects of the present inflation, proposals were made to regulate prices and correlate them with incomes (pensions, salaries, and so on), rather than simply unifying the currency rate.

Due to the great material and financial difficulties facing the population, the reform program must include more social protection measures aimed primarily at assuring food, housing, medical assistance, at creating new jobs, and at protecting disadvantaged people (the handicapped, orphans, sick, elderly, unemployed).

#### IV. Assuring the independence, correctness of television, radio, and the press: 9 percent.

As holder of the information monopoly, television requires essential restructuring toward independence, objectivity, quality, and efficiency. Currently in the administration's service, television is capable of

changing its management structure and the quality of its information. The mass media must be used as an efficient instrument for unmasking and eliminating communist structures and attitudes, for disclosing the truth of all historical and social events, and for improving the current climate and faith in the future.

V. Concerted actions of the opposition to establish democracy: 7 percent.

The main solution for balancing political forces is the union and solidarization of the opposition around a center of power that would ensure its strength and greater credibility. In order to increase the popularity of united democratic forces, it is necessary to assure a useful propaganda system both through one's own means, and through general ones (the press, radio, television), the promotion of eminent personalities, the attraction and education of young people with political aptitudes, the visibility of authorities, and the removal of discredited persons from political life. Unfortunately, the alliance of opposition parties is inefficient and insufficient to cover a broad range of political-social groups. Collaboration is therefore recommended with all social forces, and particularly with unions and student organizations interested in establishing democracy.

VI. Establishment of constitutional monarchy as a credibility factor: 6 percent.

Part of the respondents considered that the only credible and viable alternative in the country's present crisis is the restoration of constitutional monarchy. This could be achieved by reestablishing the rights of King Michael, thus effecting an act of justice and the reparation of wrongs. The favorable consequences of restoring the monarchy, listed by the readers, are a national reconciliation, integration of social relationships, the country's reconstruction, rebuilding Romania's image, repositioning the country into its natural boundaries, and the solidarization of Romanians everywhere. The personality of King Michael I will lend a new impetus to people's lives and struggle to overcome the moral-spiritual crisis, by supporting religion and the church in the role they have in society. The restoration of the monarchy means a distancing from communism and will assure the credibility so necessary to the country.

VII. Strengthened spirit of justice and legality in social life: 6 percent.

The social climate specific to the present transition stage, dominated by confusion, duplicity, lies, and corruption, has been encouraged by hiding the truth about the events of December 1989 and the period that followed them, maintaining the old legislation, adopting new, insufficiently framed laws that have been contested by large social categories, by the instability of leadership in legal institutions, and so on. Added to these is the need for reparation actions to cover injustices to individuals and the nation, and their guarantee through laws and the constitution.

VIII. Reconsideration and promotion of genuine values: 6 percent.

Added to the overthrow of the system of values of the communist society during the transition period, have been a heightened confusion and uncertainty in terms of capabilities to evaluate and choose directions. Being encouraged, such negative attributes as mistrust, superficiality, theft, laziness, lies, and corruption have proliferated. In order to heal the society's spirituality and morality, it is necessary to reconsider values; this is particularly needed because the country's reconstruction presumes strong qualitative transformations at the individual and the society level. The development of work motivation must become the major subjective component of the reform. Contributing to it must be both education factors (family, schools, the Church), and the economic-financial mechanism which plays a determinant role at the present stage.

IX. Assuring free and correct elections: 5 percent.

The experience of the previous premature elections, carried out against a background of directed enthusiasm, maintains the population in a state of insecurity regarding the chances of electing a team associated with its interests. To assure the correctness, objectivity, popularity, and quality of electoral factors, a number of conditions are considered necessary: a unanimously accepted electoral law; the independence and active involvement of Romanian television; a computerized system to monitor, control, and evaluate; assistance to opposition delegates and foreign observers; and a climate of trust and eased tension. Respect for these conditions give an equal chance to all participating political forces, facilitating the election of a political formula of national union, which is considered as representative of the country and democracy.

X. Raising the consciousness of the population: 4 percent.

In order to recover in the social area values belonging to all fields, it is considered that despite the progress made in understanding events and their causes, there still exists a level of dissatisfaction characterized by confusion, disorientation, and uncertainty, particularly in the political sphere. Increased understanding capabilities can be assured by intensifying activities aimed at unveiling the truth and by adopting them as a life principle.

Specifically pointed out is the need to deeply involve intellectuals, political figures, and church representatives—people who are influential among the masses—so as to instill the latter with social skills. Specific to this stage is a change in the population's perception and political image, in the sense of better differentiation, critical evaluation, and guidance of sociopolitical interests.

### 5. Reflection of Leadership and Governing Methods in the Population's Standard of Living and Morale

Discontent and negative assessments acquire truly dramatic form in the concrete existence of the people, which is reflected in their standard of living and morale.

Investigation of the assessment of the population's standard of living during this period shows that this standard has dropped below acceptable levels: The results indicate 36 percent of the subjects with a very low level, 47 percent with a low level, 15 percent with a satisfactory level, and 1 percent with a good level. A prerequisite to avoid possible social flareups is for the population's standard of living to be raised from poverty to the level of a decent existence.

Morale is a specific parameter for analyzing the level and quality of life, and implicitly the Administration factors responsible for their organization, indicating the direction in which the population expressed its opinions in terms of assessments, options, and attitudes. Analysis shows that the morale of 83 percent of the subjects is low, that 15 percent have a satisfactory level of morale, and that the morale of 1 percent is good. We warn against the danger of accumulating negative morale for long time periods, thus creating a danger of explosion. The importance of low morale in the context of the general negative climate also provides specific motivation both for the social existence framework, and for the strictly limited framework of job performance. The fact that the majority of the population does not participate in the economic process as a result of a deep disagreement between it and unmotivated economic structures, has continued to act as a pathological agent in the work process, as a form of resisting and condemning the "reform." The people's lack of support for offered programs means among other things that they are perceived as inappropriate and discouraging. Beyond a necessary austerity, the capability to govern must also mean the assurance of a coefficient of trust and hope.

The confidence crisis demonstrated by the population toward the present system as a whole, and particularly toward those in power, together with the expression of a need for hope (demonstrated by intense expression of all the population's interests), is summed up into a level of aspiration that indicates the measure and orientation of sociopolitical interest for the immediate future.

### Conclusions

Against the background of the population's generalized activization, its increased sensitivity, and its reactivity to socioeconomic and political events, we note a shift in the focus of interest primarily toward political problems, corresponding to an increased ability to evaluate social phenomena as a whole.

Specific in the present political perception is a shift toward a more differentiated view that paints a negative image of the administration, likened to communist

structures and attitudes. The maintenance of these structures and attitudes represents the main resistance factor in the true establishment of democracy.

The incompetence and inability to govern illustrated during the Roman government by stagnation and relapse, impose the need for a radical transformation, for a new, efficient, essential reform that will primarily use the subjective leverage and factors of change, which in this instance are work motivation, confidence, and hope.

In order to achieve progress in democracy as well as in mentality and social practice, it is necessary to retrieve history through knowledge, rapidly assimilate the basic operational concepts of the present sociopolitical thought, and promote considerations of the future and of values. In this respect, collaboration is needed between educational factors (family, school, church, cultural institutions), the mass media, eminent figures, professional politicians, and intellectuals in all fields.

The union and solidarization of democratic forces, as well as their installation through free and correct elections, would result in a political formula that would represent a large group of political interests.

To a large extent, the most valid guarantee of detachment from communism and establishment of democracy is considered to be the restoration of constitutional monarchy. As a factor of credibility, stability, and progress, a constitutional monarchy represented by the distinguished figure of historical, political, and moral prestige that is King Michael I of Romania, symbolizes and summarizes the country's current needs: national reconciliation, social pacification, reconstruction, recovery of its natural boundaries, rebuilding of Romania's image, and the solidarization of Romanians everywhere.

### Ultranationalist Figure on Politics, Economics

*92BA0175A Bucharest TINERETUL LIBER  
in Romanian 5, 6, 7, 8, 9 Nov 91*

[Interview in five installments with writer Eugen Barbu by Nicolae Tone; place and date not given: "Eugen Barbu"]

[5 Nov pp 1-2]

[Text]

### "I Am Not an Ogre"

[Tone] I want to thank you, Mr. Barbu, for agreeing to have this conversation. Many might hasten to condemn me for my choice, others—probably very few, and in both instances I mean my colleagues of the printed press—will praise my gesture. In any case, given the frequent—and extremely caustic—frictions between the magazine whose director you are, and the publication which I represent, I am pleased that you have responded

positively to my invitation to conduct this dialogue, and that you have not barricaded yourself behind a furious and intolerant "No."

[Barbu] I know very well that I have the reputation of being a sort of ogre, which in reality I am not. I have not yet devoured anyone; otherwise you would not be talking with me because I would long ago have been taken away. Secondly, I did not refuse the interview in your case because I have taken a liking to the reporter you are. And lastly, any conversation is to everyone's advantage if it is held freely and sincerely. You know that I like polemic, and that I conduct debates in writing not solely for the pleasure of showing that I am smarter than others, but because we need to stir up the world in which we live, which while no longer numb, is still not fully awake. It was numb until now, but it has begun to budge and is laden with doubts. Debates are good for those who know how to read them, and in the press, they often are as necessary as the air we breathe.

#### "The United States Has Become the World's Policeman"

[Tone] Let us then start the interview, and start with one of your recent comments: "For some time now, I have witnessed... a sort of worldwide bullfight which leaves me thoughtful. The world has become unhinged! As soon as you turn on the television, you see packs of people pursued by armies, firing guns, and aircraft bombings." Towards what kind of world do you think we are heading?

[Barbu] It's difficult for me to evaluate the general situation, but my opinion, as I have voiced it in an article printed in our press, is that the United States has become the policeman of the world, which is not good. It means that the United States is assuming the role that Germany played with Hitler—when it could play it, with its army and with all the wars that it started and ultimately lost. It means that the United States is placing a sort of undeclared pressure on Europe. And through this pressure I suspect that on one hand it truly seeks Europe's unity. On the other hand however, out of very interested motives, namely, wanting to possess the entire continent for strategic reasons, and not gradually as in the case of space rockets, the United States does not spare any means. It wants to subordinate all of Europe in one blow, and this blow is administered through the wars that have erupted suddenly and will end God knows when. One demand follows another. Wherever we have countries invaded as a result of the Ribbentrop-Molotov agreement, matters are clear and henceforth the people want to pray in their own churches. But what is happening in Yugoslavia is a tragedy. I cannot be so malicious as to suspect that the United States president is driving a wedge between the Croats and the Slovenes, when in fact those are old, latent conflicts, but no one can prevent me from believing that gasoline has been thrown in to fuel the flames. I am convinced that the United States knows in detail all that is happening in

Europe, from the Russian Federation to the Baltic countries, Hungary or Yugoslavia, and even Romania.

#### "A Madhouse Europe"

What is happening today on the old continent is of no use whatsoever to the concept of European unity. On the contrary, I say, it is more a matter of Europe's destruction. This explains why, instead of European harmony, what we have today is in reality a madhouse Europe, as I have written before. The situation is thus very sad and dangerous. The Balkans are likely to once more become the powder keg of Europe, if they are not already there. In our case, you know already about the attacks leveled against us as a nation by various foreign publications. Everyone has a claim. Hungary is losing sleep over the Transylvania business, and its revisionist gestures no longer surprise anyone. And there is always more—look no further than the recent matter of the Szeckler Country—with issues that are not only unacceptable, but that deserve to be denounced. The hyenas have multiplied and their snarl is fiercer. As far back as we can remember, the Hungarians have striven to get us used to the idea, you see, that they were the first in Transylvania and that we are guests here. We know who supports them. Except that these supporters pretend not to see the Hungarian double standard toward their minorities in Romania. One group speaks diplomatically in Parliament about the manners and understanding we display, while at the same time, another, more rigid group continues to voice unfounded claims. It is not up to me to meddle in the ministers' official business, but if you'll forgive my expression, these Hungarian politicians have an itch, forgetting that we have occupied Budapest on two occasions, and in my view a third time if we have the chance, at which point we will not leave and will thus cure their headache. A statement for which I take full responsibility.

[Tone] In speaking of the advent of a united Europe, you just used the expression "madhouse Europe."

[Barbu] I don't think we have what it takes to become unified. From an economic standpoint, this southern Europe is mired in poverty. The Soviet crisis has worsened and will cause problems for many countries which will have to help the Russians, who are very nearly bankrupt. I am thinking further, to China, whose economy now seems more stable, but which is still poor. The situation is very tangled. I don't know, I don't have exceptional abilities as a statesman, I have no solutions, but something should be done, I don't know exactly what, but let's finish once and for all with "we are fighting so-and-so," or "we are claiming this-and-that," and so on. We all live on this earth, and if we continue to fight much longer it will blow up to kingdom come and we'll all end up in the void.

#### "I Dread the Coming Winter Like the Plague"

[Tone] Is Romania ready to survive in this world toward which we are heading?

[Barbu] Yes, with one condition. It will survive if we do what we have to do. The Romanians are intelligent people, as they have proved to be through the years, and will continue to prove in times to come. We do not currently have the politicians we need. What we need is a Titulescu, a Bratianu, heavyweights as in the past, who will also be great diplomats and who will also be experienced. Yet, when I look around me, if you'll forgive me, I see only men who do not have the stature necessary to face today's situation. At this time we need an old Bratianu, a man who knows how to command, a man whose hand will not shake. Mr. Iliescu is likeable, very jovial, but look at what has become of the economy and how needy we are. I dread the coming winter, how shall I put it, like the plague, because we are destitute in every respect. The economy is decapitated and the whole country—you can see it with the naked eye—is bankrupt. And I fear that the present prime minister, Theodor Stolojan, who is in fact one of Mr. Roman's people, will not be able to resolve the crisis he has inherited, no matter how hard he might try. The money, such as it is, no longer has any value, and if someone like me, let's say, manages to cover his needs with what he earns, what happens to pensioners, to the elderly, to those with large families? This is a big problem. Today's politicians should give fewer interviews, make fewer television appearances, and do the things that are needed to bring about the reconstruction of the country. In a word, let them do something genuinely concrete and useful for the people of this nation. This is a highly critical situation, and you know that revolutions and wars, evils and calamities, all begin with the economy.

#### **"We Are Now Living on a Volcano"**

[Tone] In your opinion, what are Romania's current weaknesses?

[Barbu] At this time, the most obvious sickness is that very many Romanians steal. Please forgive me for saying that. And they don't do it for the pleasure of stealing—because that sort is also widespread, take for instance the swarthy boys who turn this country into an El Dorado, a kind of Far West—but because we find ourselves in a vast collapse and laws are virtually nonexistent.

No one works, everyone is gossiping, the peasants are fighting over land even before they effectively own it. I say that the agrarian reform is welcome, that it is fitting to return the land to the peasants, but if they don't have the tools with which to work it, it will be difficult for them to make something out of that land. The Romanian peasant must not be abandoned again with a pick and a shovel. If we don't give them the necessary machines and leave them with a cart and a horse, we can say goodbye, go to bed, and simply dream about a prosperity which we will never achieve.

What is more, we are prey to monumental corruption, the fruit of tightrope politics that have been conducted in piecemeal fashion, without continuity. I don't want to cast stones at this point, but look how we have been

overrun by foreigners. Everywhere you look, you see only foreign companies. I have already written an article on this: "Calea Victoriei For Sale." It's perhaps desirable to receive foreign currency, but what are we doing with it, because in practice it's nowhere to be found. I would like for all of us to be rich, but I don't know how we manage to never reach the shore. I suspect that many transactions here are carried out behind the counter, in the dark. It's easy to see that a sort of conspiracy among acquaintances, old or new friends, is being practiced at some level, which is more than suspect and does no one any good. On the contrary, it does the country great harm.

As far as I can see, living in this society, everyone is dissatisfied. Except for a small handful of resourceful people, the great majority of the population is on the verge of hardship. We are now living on a volcano. The present condition, which will certainly be compounded with the lack of heat and the shortage of food—which as it is, has risen to inconceivable prices—continues to be very dangerous and can again cause serious social discontent. Today, a family's budget in Romania is low enough, and when you have a large family, everything turns into tragedy. I'll say it again, as far as I can see, the people continue to be dissatisfied, and that's not good.

[6 Nov pp 1-2]

#### **"The Time Has Come for Greater Romania To Become a Reality"**

[Barbu] We are at a dead end: an economic one to begin with, but a moral and cultural one as well. We are literally in a pit, and if we don't wake up very soon we will continue to slide downhill. What we need now, as Arhezi aptly put it, are some Germans. Essential changes must be made in all areas, and these changes must be made with well-prepared people, not makeshift ones, not with someone's connections, not with this one's nephew, or with that one's cousin, and so on. I can see that carriers have spread yesterday's mange into the present. We need serious people everywhere. We must uncover our own Germans. In a way, we are in the same spot we were in 1945, after losing the war, with shortages, hunger, in great need. At the time, it was a disastrous situation, with lost territory and with our dead; it is the same today, with lost territory and with our shattered industry. I know that Romanians have the resources—moral, physical, and intelligence—to first of all put the cart of this economy back on its wheels. Except that for almost two years we have walked in place, and I don't understand why. After all, the leaders are no longer people from Ceausescu's times, who didn't know how many letters were in the Romanian alphabet, but who were ministers....

#### **"Antonescu Fought for All of Moldavia Beyond the Prut"**

[Tone] You have known the period between the wars, its last years. Tell me about the 1940's.

[Barbu] I'll never forget for instance how things were in the outskirts where I lived. It was a regular comedy at election time. We lived on a corner, and as soon as the electoral campaign began, somebody would come into the intersection with a drum and would call out: "Brothers! Vote the Liberal Party—boom! boom! boom!—because they will do this, they will do that—boom! boom! boom!" Then they would bring one or two cartfuls of sand, one or two cartfuls of stone, they would pave the street, because those were miserable unpaved alleys, and then they would leave. The people held some hope at first, and then the Peasant Party would show up, and beat the drums some more. The comedy would go on. Of course, afterwards no one would come through the area again. This meant that two weeks after these events, the women of the neighborhood would take the sand to bury their carrots in the cellar for the winter—I have written about these things already. The stones would also be taken to fill in holes in people's yards. It was all a big farce. All of it was right out of Caragiale, and most of my memories of that period are funny ones. That's how I saw political life in the outskirts of Bucharest.

I know however that during that time we also had very interesting and patriotic political figures, such as Maniu. I also have a good opinion of Antonescu.

[Tone] Was Antonescu the man of the moment?

[Barbu] I believe that Antonescu was a patriot, a well-trained military man. Of course, he was not a politician like the others, but he was unquestionably the man of the moment. We needed a military man in the worldwide conflict that had just broken out and dragged us in. Whoever maintains that we could have avoided the alliances we had, is mistaken. We had the Germans at our back, we were occupied; the Americans were bombing us. The Germans were taking all our gasoline—you know that in time we became semi-importers of oil although we had been an oil producing country. Whoever went through here took what they wanted. Then came the Soviet occupation, which was the crowning touch.

But the man was honest. Antonescu fought for Bessarabia and for all of Moldova beyond the Prut, which as I see the Great Powers are in no hurry to recognize as they did with other countries occupied by the Russians under similar conditions. I don't know what they have against us; we're not likeable, they probably don't like the color of our eyes. They did recognize the independence of the three Baltic republics, Latvia, Estonia, and Lithuania, but when it comes to Bessarabia's independence, all the respectable people start to backpedal. For us, they close their eyes and plug up their ears. They're not interested in Bessarabia's problems, and it's not fair, it's not honest. As long as they are all breaking away and gaining their independence, it would be natural for us to be treated like everyone else, that is, to finally achieve Greater Romania (Romania Mare). I should state here that the name of our magazine was not selected at random.

#### "Romanians Have Never Been Extremists"

[Tone] This may not yet be the right moment in the discussion to talk about the ROMANIA MARE magazine. It's not a secret that more than a few consider it an extremist publication and even ask that it be discontinued. How do you respond to this serious charge?

[Barbu] I find it disloyal on the part of our adversaries to categorize us as extremists. ROMANIA MARE is not an extremist magazine; as its name implies, it is a magazine that leans toward the Greater Romania about which we all dream and which we all wish for, and which as good Romanians, we placed at the masthead of the magazine. Instead of being insulted by people who have no reason to insult us, it would be better if we focused all our actions in that direction: the reunification of the country into the old boundaries it had between the two world wars. It's easier to sound off than it is to give a hand and support an idea in which you cannot fail to believe if you are a good Romanian. We chose the name ROMANIA MARE for our magazine because we considered that the time had finally come for Greater Romania to become a reality. Nothing else is possible. So many have died for it, and so many have lived through so much anguish, especially those poor people in Transylvania and Bessarabia. My heart aches to hear those at EUROPA LIBERA speak with so much disdain when they say ROMANIA MARE. It means that those gentlemen—I cannot call them anything else—are not patriots. They fled, they were persecuted, they had other ideas, not communist ones, good for them!—but right now they are purely and simply committing a sin by sneering at the name of ROMANIA MARE. Not to consider the unfortunate Bessarabians who for 45 years have lived under a foreign yoke, who have been threatened with Siberia, who have endured so much, is indeed an accomplishment. These things, my friend, should be keeping Monica Lovinescu and Virgil Ierunca awake at night. That they insult me, I'm used to it; I have also insulted them and I'll insult them again. I'm not afraid. They were in Romania, no one arrested them, they were not jailed, nobody offended them. That's how they see democracy. We speak up, a little more vehemently and a little more harshly if necessary, but we don't slap each other, we don't kick each other around, because we are not Gypsies, we are not street bums. Any polemic can be closely argued, can be in dead earnest, but must not be transformed into personal hatred. That I cannot go along with. It's out of the question!

[7 Nov pp 1, 5]

#### "We Must Think Very Seriously About the Future of This Country"

[Tone] The accusations of extremism raised against you are becoming more frequent lately....

[Barbu] In my opinion, all of these things are provocations. They don't represent real facts. Romanians have never been extremists. We have had our Jews, whom we have satirized and who satirized us in return, but we

understood each other. And if we look at the presence of the Jews among us from a purely commercial standpoint, I think that they have been a beneficial element for Romania. Then we had those brainless Legionnaires, drunk with Nazism, power hungry, who provoked the situation for which we too, after all these years, are considered guilty, are taken for fascists, for extremists. To not be extremists, as some perceive it, would mean for instance to allow the Hungarian delegates to ostentatiously leave the Parliament building in a body. I find it very strange that we do not devote the attention it deserves to what happened to Cofariu in Tg. Mures, who was photographed and filmed being beaten by Hungarians with animal savagery. Then the film was sent all over the world for everyone to see what barbarians we Romanians are! As if we Romanians were the ones who beat the poor "Hungarian" Cofariu to a pulp, so that he is now nearly an invalid. Our press does not have the motivation to establish the truth that needs to be and must be presented at the highest international stages. Take another, more recent case, the Harghita-Covasna report which was discussed for more than two days in Parliament. The men thrown out of Romanian administration jobs—not Hungarians—forced to find other jobs and homes, the introduction of an atmosphere of terror in schools, all of it in full view and with the knowledge of government authorities, as if Transylvania were truly occupied by Hungarians. These are impardonable facts.

After analyzing this report, whoever is personally responsible for the Romanians' fate should immediately and dispassionately hand in his resignation. The time has come for all those who have permitted themselves to defy the Romanian authorities to be made responsible and to account for themselves. And I would remind the Hungarian delegates, who for the second time, in a gesture of brazen defiance left the room in which they were being incriminated, that in a somewhat similar situation Napoleon threw his delegates out the window.

Unfortunately, Romanians have learned to accept. They are slapped, injured, they say nothing, bear it, in the belief that God will cause justice to prevail. Every so often, every few decades, they are seized by bravery, and then woe to the adversary that stands in their way. We stand crowded in our own country, fighting with each other, and we are not allowed to answer. We are gnawing at our fingers, even though no one speaks of it. There are insinuations: "Let it be, before we get into more trouble!" You have to clean your own house; you don't receive just anyone, not those who mock you and slap you in your own house. It's not possible. Let's be serious: If you have a minority, teach it to respect you. This is not a wasteland. That makes me very unhappy and I'm not the only one. The people's great distress is that we are so patient and that we do not set order in our house. We must not hesitate in this respect because we will wake up as Yugoslavia, and look what they're going through. And you know how that goes: Mange and war are catching. We must think very seriously about the future of this country, which I suspect we all love, and which does not deserve the fate wished by our enemies.

[Tone] Many criticize you for giving great credit to Corneliu Vadim Tudor. They say, how can it be that Barbu, a great writer like him, and...

[Barbu] Yes, I know....

[Tone] So, how do you respond to this criticism?

[Barbu] Vadim is an impulsive guy. We see each other each week, sometimes twice a week. I've always held the idea that if you have a talented man, you have to give him room, let him romp. I point things out to him after I read the magazine: "See this, that's not good." I don't want to cite names and articles since they are already known. For instance, some items were published that bordered on anti-Semitism; I did not approve them. I don't want to make excuses, but to say that based on this we have become an extremist, right wing, Legionnaire, anti-Semitic magazine, is actually going too far. It is not true, gentlemen; neither I, nor my colleague Vadim Tudor, nor anyone on my editorial staff is anti-Semitic. So much for that. On the other hand, I believe that there are those who want to discredit the magazine and ourselves because of the success we have had and are experiencing. No one can bear to see a circulation of 400,000 to 500,000 magazines on sale every week. That kind of thing is not easily forgiven; it's a matter of resentment. But it's easier to bring accusations of anti-Semitism than to build a publication with such a circulation. At the same time it is true that Vadim is somewhat like an inexperienced boxer who hasn't yet learned that you can also get hit in the ring; you hit, you hit, and then you also catch a few. When he gets hit, he sees red. He needs to mellow out, but that doesn't mean he is not a great journalist. I don't want to get involved in the details of the magazine's operation. He is also the owner and backer of the paper. I am like God in heaven, behind a cloud, looking down on the battles being fought: I stop some, the others not. I sometimes give him some advice, he doesn't listen to me, I don't get upset, it's his business. I think he is strong enough to be responsible for his own deeds if he should make a serious mistake in some way or other.

#### "Power Went to Their Heads"

[Tone] Let's take a time trip, as I did with others I've interviewed. As a writer, how would you portray Gh. Gheorghiu-Dej, whose contemporary you were?

[Barbu] In terms of manners he was somewhat more polished, but he was as crude as all the other communist leaders, past and present. I don't know why labor camps and prisons appeared in our country where there was no need for either prisons or camps; they appeared during the time of Gheorghiu-Dej. Ceausescu was craftier, more careful. Of course he had his enemies, just like Dej; and like Dej he committed some impardonable acts. Power went to the heads of all the communist leaders. They all thought they were kings, despots, or call them what you want. I believe we did not need such dictators, but we're not the ones who shape history as we want it, around the wood stove. But I don't know how it happens, an ill wind

blows all of a sudden in the air, and I'm tired of all the misery I have seen. I lived through these 45 years, I had friends who were sent to the Danube-Black Sea Canal camp, or whose parents or brothers ended up there. I won't even mention Auid, Gherla, all those prisons. I am now reading all I can find about them and plan to write some articles about it. I don't believe, however, that Romanians are as vicious as they are depicted in what I read; Romanians are well known for their human decency. We had some fiends who became prison heads, subjecting their fellow men to atrocious torture. A few among them even managed to come up with unbelievable inventions, as did Nicolschi, who is said to be doing very well, thank you. I am amazed that these torturers have been pardoned, that they were granted amnesty; these are things that cannot be pardoned. The generations to come must be taught that all that happened in these prisons of sad memory cannot be allowed to happen again in this land of ours. We are a decent, gentle, peaceful people.

[Tone] Let's get back to Gheorghiu-Dej.

[Barbu] The removal of the Soviet troops from Romanian territory was an operation of unprecedented intelligence, and Dej deserves all honor for having achieved it. This success is to his great credit but it does not absolve him of the crime committed against Patrascu, who was a learned man and thus fueled Gheorghiu-Dej's hate; Dej suffered from an inferiority complex toward Patrascu. To be on the same political team and to butcher, to bury the most intelligent members of the group, is difficult to forgive. Despite his merits—and Gheorghiu-Dej did have merit—these crimes cannot be erased, cannot be forgiven.

#### "Nobody Sent Eminescu to Fetch"

[Tone] According to what I read and heard, you have been near Ceausescu on several occasions.

[Barbu] Well, I had several meetings and discussions with him, especially in conferences. I do not conceal that I was a member of the Central Committee; I did not elect myself.

[Tone] How do you "see" Ceausescu?

[Barbu] I will openly say that he was a very intelligent man. You could not suggest anything to him, give him advice indirectly, or smooth out the cutting edges of his manner. I believe that he was a good patriot, but he also has the failings which we all know and which should not have existed. He was conceited; that's a very insidious disease. He and I exchanged a few volleys during some conferences where I cautiously hit bull's eye, so to speak, because you couldn't do it otherwise; he had a short fuse. And I was pleased that he accepted my rejoinders on several occasions without getting angry. At one conference by the sea, during a long discourse to writers, he rebuked us for not producing masterpieces like Eminescu, like the really good novels being written in other countries, and so on. I asked to speak. I was invited to

stand, and I said: "Comrade Ceausescu, you complain that we only write inferior works, but nobody sent Eminescu to fetch." There was a deadly silence and the conference ended. There are people who were there and who can confirm this.

Another incident—I don't want to play the hero, because I wasn't. As member of the Writers' Union Bureau, I participated in a conference with Ceausescu and Zaharia Stancu, with whom I had some "differences." Stancu was a good writer, not great, but surrounded by a clique which he fed with money from the Literary Fund, a thing which I deplored. I would tell the fellows: "Gentlemen, write something, go to a newspaper, but don't beg from the Literary Fund; it's not honest."

Knowing that there was always a balance sheet from which Zaharia Stancu constantly dropped the debts of some writers, all the while smiling to maintain his popularity—and he was not the only one, Beniuc did it also—I stated my view that I could not agree to the practice of charity with the money of all the writers. I myself never borrowed even a single leu from the Literary Fund; you can check that out. I was earning money, thank God, had money, and never asked for a loan. Quite a few of the Romanian writers were on the dole; I don't know whether they still are, but at that time they were on the dole. I won't tell you names, because even without it I've had the writers on my back a number of times.

But to get back to the conference also attended by Ceausescu. We were sitting at a very long table with party people, with writers, and I dared raise the problem of these men who were living from subterfuges at the expense of Union money. Would the saintly Eminescu have asked for a coin from anyone? Of course he got help from the political figures of his time, but he was not a beggar. So I said to Stancu, who sat on Ceausescu's left, something like: "Comrade Stancu, you know very well what you are doing, don't complain about me. I respectfully draw your attention to the fact that I want to collaborate, but I don't want to be part of a Bureau which praises you and all the measures you take, especially regarding the loans from the Literary Fund." At this point his hand began to shake and he spilled coffee on Ceausescu's pants. In those days, you see, it was still possible to spill coffee on Ceausescu's pants.

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#### "Genius Is Not a Profession"

[Barbu] I'll mention another incident to describe Ceausescu. I went once with Paunescu, sent by the rest of the writers who were quaking with fright and didn't have the courage to go see him. We joined forces at that time, even though we still squabbled—we fought even worse later, but Paunescu was very fine, he was plucky. I liked him; I liked him very much. He had other faults, of course, but we all have faults. After all, didn't I and don't I still have them? So we went to Ceausescu. We spoke

about one thing and another for one and a half hours. He was very congenial. At the door, when we left, he shook hands with Paunescu, and as he shook hands with me I lingered a minute to say: "Comrade Ceausescu, give the peasants a speck of land." His eyes went icy cold; I never saw such an expression. He didn't say anything, he dropped my hand, goodbye.... I realized then that hidden within him was also a very vicious man. That's also one of my memories....

#### "She Was His Evil Spirit"

I would say that Ceausescu did make one imperial gesture when he refused to join, I don't know how many countries, in the invasion of Czechoslovakia. We were 13 writers who at that time signed in GAZETA LITERARA our views regarding this gesture, his refusal to participate in Czechoslovakia's occupation. I found it an extraordinary gesture and I must admit I loved him very much then. It was the gesture of a true sovereign, of a true national leader who doesn't pander to the invader at every turn.

I think that later he also did some very good things, among which, for better or for worse, he created an industry which we are inheriting even though nothing is moving now. We are in the midst of a postrevolutionary euphoria which is going to cost us dearly.

By the same token I cannot pardon Ceausescu the evil deeds he has done. He was a dictator, and that is the worst. At the beginning everything was working out very well, but then his wife interfered; she was his evil spirit. She finished him, she spurred him to asinine actions—because you can't call them anything else—and caused his unpopularity; and his tragic end. No one can deny that if he had chosen to take action we would have had a sea of dead bodies after the revolution of 22 December. In any case, it left unfortunate people in its wake, the wounded and the dead whom we should remember more often and with greater piety. That is a great pity. He might have paved the streets with gold, but to end up shooting at his own people, that is inadmissible. You go, you turn yourself in, testify, I regret my mistakes, put me in jail. But to fire into the people whom you have led for so long.... No, in this respect none of it can be pardoned. I regret that some still speak of him with regret, but it's one thing to point out his achievements and another to deplore his passing.

[Tone] Your conflict with Marin Preda is well known. How do you view Preda the writer now, in 1991? What were your relations with him?

[Barbu] I think that we secretly liked each other. I had great esteem for Preda the writer. As a person he was rather difficult to tolerate; secretive, cantankerous, somewhat nasty, somewhat envious, but a great writer. That, nobody can deny him. And a writer's calling card is his work, not his personality. He had his peasant meanness, his discontentment, but I think that in turn, he nevertheless considered me as someone with whom he could talk. We were not very close, we shook hands

rather formally, and we occasionally crossed swords in conferences. But it cannot be denied, no one can say that he was anything but a great writer. We had a sort of triangle: Petru Dumitriu, Marin Preda, and Eugen Barbu. We each had our own area; in fact, it was difficult for us to tread on each other's literary turf.

[Tone] Did you know Petru Dumitriu well at that time?

[Barbu] Yes, we were and have remained friends.

[Tone] How was Petru Dumitriu? Younger people, like us, know him now, only very recently....

[Barbu] He was first of all a very handsome man. Tall, well built, well educated, with an authoritarian mother and a father who had formerly been a military man. An accomplished man, well read, talented. I think that of the three of us he was the most gifted and the most exceptional. I have never believed otherwise; I always said that he was the best of our generation.

[Tone] Do you think that by leaving the country he fulfilled his predestined future as writer? Do you think that he is a very great writer at the present time?

[Barbu] Yes, he is. His "Cronica de Familie" ["Family Chronicles"] remains a well-entrenched milestone in our literature, and it is a pity that he does not return here now, because it is more difficult to be recognized as a great writer in the West. There are so many countries, so many translations; the West is full of books. It is difficult to achieve a standing there, and I believe that there is room for us all in Romanian literature. He also had the privilege of being friends and marrying Henriette Yvonne Stahl, from whom he learned much. I have great consideration for Dimitriu, and I consider him as sort of a file leader for our writers, for those times, of course; and maybe even for now. God willing, another such trio will emerge to surpass us, because there are always others, fresher, more intelligent, better prepared. I say this with no ill feelings.

#### "I Am a Famous Plagiarist"

[Tone] Your expulsion from the Writers' Union generated a storm of publicity. How do you view this step on the part of the Union?

[Barbu] To tell you the truth, I was pleased with that affair. A writer who is not subject to dirty tricks, who does not end up in jail—which thank God has not yet happened to me—who is not barred from writers' circles, who does not receive a pension—the Union still pays mine—is not at all interesting. Dinescu visited me at home, right here where we are now talking. He kept waltzing around me on the street; and I liked him rather well. But he is slightly tetchy, as they say. He is a talented poet, I've never denied it, but I don't know what came over him out of the blue, goaded by the clique surrounding him, to hook up with me; I never got involved with him until now. As I said, he is a very talented poet. I would like to read more of him, I've

always liked his poems. He is a formidable poet, but he is not a great poet because he has a clownish streak, if I may put it that way.

[Tone] But he is still young; he is in mid-career.

[Barbu] Yes, yes, of course. But I know that poetry is written in one's youth. So he should watch out, because he's getting older.

[Tone] At the time you were expelled from the Union there were those who defended you and those who did not. Were you disillusioned with some of your friends then?

[Barbu] To be sure, this happens to everybody, no one is immune to it. But there is another sore point: I am a famous plagiarist. You know the problem with plagiarism, with "incognito," which is a question even children can answer. I would like to say this however: Let's say, as you do, that I plagiarized a chapter, some chapter or other, some dates I took from history; but what about the books that I have written, *Groapa* [The Gravel], *Principele* [The Prince], *Saptamina Nebunilor* [The Week of the Madmen], are they also plagiarized? The articles that I've been writing for 50 years, are those also plagiarized? Did I really need to steal? And from whom? It's laughable. This is always being thrown in my face. Even poor Perpessicius has intervened on my behalf, explaining to my detractors that they are mistaken. I hope they'll excuse me, I'm not naming names, but there are a great number of people who I believe don't want to let go of this issue.

#### "Manolescu Worries Me"

[Tone] What do you believe is the real power of writers in Romania today?

[Barbu] The writers' power, for instance, cannot move the Army. You can be an Arghezi, an Eminescu, but you cannot order the Army to cross the Prut, to occupy Moldova, to return it to the motherland. Their power is of a spiritual nature. The genius of a writer becomes apparent with time. If Eminescu is being read today, along with other great Romanian poets, it is due to their genius. Genius is not a concrete entity, an object which you can take and put in your buttonhole. Genius is like a spirit, like a sea that fills your consciousness. Why are some writers read and reread, while others are cast off after only three chapters? Because they speak with another tongue, they are differently trained, and genius comes only from preparation. The great writers are great readers, great storehouses of intelligence and talent. Unfortunately, many of these men cracked when they could have been geniuses. Some were run over by a streetcar—Labis for example, who was emerging as a great poet, while others got lost, drunk with their first successes. Genius is not a profession; you either have it or you don't, you know it or you don't. It is not something you get piecemeal as in the army, where from corporal you become sergeant, from sergeant you

become something else, or as during the time of Napoleon, where you could go from corporal directly to emperor. No, no: Genius is established over a long period of time. Why do you read Homer or other great writers today, after so many years have passed since they have vanished? The graves of those who were not called in this apportionment of genius are very numerous. The entrance into the paradise of geniuses is very narrow, so that whoever dreams of becoming a genius had better stay home and wait for God to put His hand on his head.

[Tone] Please tell me about Nicolae Manolescu.

[Barbu] Manolescu is unquestionably a well-educated man, a man which Romanian literature needs. I see that he has become a politician, which worries me. He has his own meanness, an undeclared envy, an envy of writers; it can be felt in what he says. He naturally has his likings, his preferences; that's all very well, we all have our favorite writers, we all have mentors. But this malice will be his downfall, especially if he persists in politics. His latest speeches, which we all know, are those of a man on his way to dictatorship. I don't advise anyone to place him in some position, such as minister of culture or the like, because we will end up with headaches, and worse.

#### "You're Sure To Become a Metropolitan"

[Tone] What can you tell us regarding the predicament of Romanian culture today?

[Barbu] The national culture is quite endangered because there have been many impostors, many amateurs, many housewives who also write and add to the confusion. We need very well-prepared people; we now need a Călinescu, we need a Tudor Vianu to put some order in this wild, unweeded garden. Of course, you'll say, we have all been there. Repudiation is always necessary; when I was young I also cursed the older writers. But today's Romanian culture is not—has never been—a dough that will rise overnight so that a handful of flour will miraculously swell into a large cake. No; there is a need for serious training. In this respect I had the good fortune of being discovered by another writer who tormented me like a horse thief through the 13 versions of *Groapa*. I went to him with the third, the fourth, the fifth versions; 13 times I went to him. Every time I went, he said: "Get out of here, is this a novel?" He tormented me like a horse thief. Thirteen times I rewrote this 400-page book; and only then did he sanction it, and I must thank him because it was good training. I recommend it to the young writers. I also want to brag for having in my turn introduced several poets, whom you probably know, at LUCEAFARUL, at SAPTAMINA; poets whose talent has given them an impressive standing.

[Tone] Who are they?

[Barbu] Their names are Ioan Alexandru, Ion Gheorghe, Nichita Stănescu, and Adrian Paunescu. No matter how critically I might have written about them in the meantime, I could not but mention them.

Paunescu always was and still is a turbulent poet of the barricades, in the style of Victor Hugo. Presently I read his magazine, TOTUSI IUBIREA, with great pleasure. In it I am also discovering a great newspaperman, maybe today's greatest Romanian journalist. A more recent discovery is Cornelius Vadim Tudor, whom I know as a formidable poet; and now, he has found within himself the makings of a great journalist. This is a time for discourse and I would not advise him to become a delegate in Parliament. I had not imagined it. I took him to be a kid when he was at SAPTAMINA—or maybe it is in LUCEAFARUL that I found him, but he now produces extraordinary journalism; which is to his credit. He makes some mistakes, leaping at some people's throat—and at the throat of some he should not—which is very dangerous; you gather enemies, pile them up, and ultimately they smother you because they are many. What can I do? I can't hold his reins; he's committed. His writing is like Paunescu's and I put them side by side because he's equally turbulent and fierce.

Ion Gheorghe was more somber, meaner and more distrustful, but a great poet.

[Tone] Do you know that he publishes in SOCIALISTUL?

[Barbu] Well, he always was more peculiar than the colleagues of his generation.

As for Nichita Stănescu, he was bewitching, bewitching. He was the most talented of the four I mentioned, but his interminable drinking did him in. It's too bad, too bad to lose him. He is a great poet who faded too soon.

Ioan Alexandru has turned to religion but continues to be a great poet. I even told him at one point: "You're sure to become a Metropolitan."

[Tone] When did you tell him that?

[Barbu] More than 30 years ago. He was always looking for me then. He was always talking to the Virgin Mary, to Jesus Christ. Christ was in a way a poet, an orator; as any leader of religion, he had to speak, and spoke very beautifully. Ioan Alexandru spoke, and still speaks beautifully.

[Tone] He is also involved in politics now.

[Barbu] Yes, he likes it, I see that he also likes politics.

[Tone] We seem to have drifted from the condition of our culture. Who do you think is primarily guilty for the pitiful state of our culture?

[Barbu] I believe the guilty are time and circumstance, because it is difficult to achieve an Olympian state of mind now, when everyone is fighting with everyone else. I am witnessing a fierce guerrilla war being fought in the press; we are all spitting at each other, and I am not staying out of it because I cannot stand with my arms crossed while someone strikes at me.

On the other hand, it's also a matter of tension release, because for the past 45 years we have lived in an oppressive darkness, under constraints that we cannot forgive; constantly in open warfare with those responsible for books, with advisors, in conferences.... Those who create, my friend, are like God: they account to no one; on a throne, above all ills and all virtues. Today I feel liberated and especially rejuvenated, and like yesterday, when it was much harder, I want to be a journalist ready to brawl. I thrive on gunpowder; without it I suffocate.

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#### "Romania Will Be an Enviable Country"

[Tone] The unprecedented nature of your conflict with Mr. Plesu will certainly place it in the history of postrevolutionary scandals....

[Barbu] With him, it was the type of retort that is also found in Parliament. The business about the beard was of course a witticism, which I liked. And as I see it, the man did not get terribly upset, otherwise he would have answered rather than ignore us with superiority. We don't exchange greetings when we meet, but that doesn't mean he is not an intelligent man. When he was minister, he enacted measures with maddening slowness, and it has been observed that we have reached this point to a large extent because of that. What I condemn him for is that he has not fought sufficiently hard for Romanian culture. As minister of culture it was his duty to do it, and to do it not in any old way, but with good results. I have often wanted to tell him, and in other ways than in writing: "Mr. Plesu, at this time the Romanian nation is breathing again; for a writer, as I see it, this means writing again. To write in freedom, to write in comfort, to write anything he wants. For 45 years the only thing that got written was 'Long Live!' Everybody was writing 'Long Live!' We broke wind, 'Long Live!' We flushed, 'Long Live!' Maybe we had no choice. But now that we have been liberated, dear sir, let's have some paper, let's have some printing presses, let's write novels, and whether they're good or bad, let's at least write them and print them. Let there be a choice. Culture doesn't just grow from visits to Peles or with taking Brancusi's work to the United States. It's all well and good to send Brancusi's work over there, but when the Colona Infinitului is crumbling in Tîrgu Jiu and the people at the Ministry of Culture are not lifting a finger to save it, that is unacceptable."

I believe that Mr. Plesu, being a philologist and a friend of Noica and that whole family of learned philosophers of ours, deserved to be minister of culture. Unfortunately, the actions he took pleased no one. He should not have been able to rest until there was a printer on every street in Romania. What was there to lose? The books that don't sell eliminate themselves. Things should not have been left purely and simply to chance.

**"Oh, What I Could Not Do From Jail"**

[Tone] Now I would like to ask you about the Romania Mare Party. What exactly led to its formation?

[Barbu] Even at the start, when the magazine was named, I warned Vadim: "Keep in mind that this name will also engender a party. It's bound to happen." We didn't publish ROMANIA MARE to suit ourselves but because we believed that we must truly succeed in rebuilding the Greater Romania. Who is afraid of this Greater Romania now? Everybody lived in Greater Romania: Romanians, and Saxons, and Hungarians, and Jews, and Ukrainians. We have our own minorities; we did not send them into camps, we did not torture them, except for the time of the Legionnaires, when it seemed like a stampede of madmen. Politics is a very delicate trade, but we felt that there was a need in this country for a force devoted to an open struggle to rebuild the Greater Romania.

[Tone] What is your opinion about the exceptionally strong pressure to outlaw this party?

[Barbu] I believe that it is a diversionary tactic, particularly on the part of the Jews, and I know that this bedlam serves no purpose. We had our own Jews, whom we protected; we are the only country in which the number of Jews killed was very low. Low, low, but it did exist. What can we do, that's how it is. We are not the ones to blame, but those despicable Legionnaires. But we had and have our Jews; we got along and will get along with them very well. They are outstanding, hardworking people, with connections. Why do we need to fight with them? No, my friend, on the contrary. If they are extremely capable businessmen, let's put them in business. And they are very erudite. And let us not have any discrimination in those areas where they excel. For my part, I am not worried about the Jews, but about the Gypsies, who commit crimes, who steal, and who carry out unprecedented mischief.

But to get back to your question. The pressures on us are generated by fear. Everyone is afraid of the Greater Romania Party, and this is due to its very broad appeal.

[Tone] How do you see the former activity of LUCEAFARUL and SAPTAMINA?

[Barbu] I was being called "the boss" at both of them. I never forced my writers to write what I wanted. They all brought me articles: this is a good one, this one is not good, cut a little here, see if you can add something there, because it's not clear; this type of thing. But for me to tell someone: "Insult so-and-so...", this I never did. It was all right to insult me. I would ask people at other magazines, call them on the phone: "Come on, spit at me, say something bad, because I like it. I like insults. At least you get me angry, we stir up the air, because we are all dying." I think that I did many good things in those two magazines; I hope time will tell.

[Tone] Do you think it's possible under the present conditions to eliminate the party and the magazine?

[Barbu] I don't believe that anyone will be foolhardy enough to eliminate the Greater Romania Party or the ROMANIA MARE magazine, or any other party or magazine. We will soon have a constitution that will not allow such actions. If we're speaking of democracy, aren't there newspapers in the United States that vilify the president every day? And he just stands up and takes it. In his position he has to endure it; the president does his job, but he does not jail those who criticize him. How about France? Does Mitterrand suspend LE FIGARO, or LE MATIN, or any other paper for that matter? Do you think that in Germany papers get suspended and journalists put in jail? Well then, I can hardly wait for my opponents to put me in jail. I ask Mr. Iliescu and his government to put me there, in jail. Oh, what I could not do from jail! Yes, it is a virtue to end up in jail today for the politics you have.

**"We Must Be Careful Not To Wake Up With a Civil War"**

[Tone] Our conversation, Mr. Barbu, is a replay of the interviews Ion Bibici collected in the book *Lumea de Miine* [The Word of Tomorrow] in 1945. Did you know Bibici?

[Barbu] Yes, we met on several occasions, but we did not maintain relations. But I do know the book, and it's a significant one. I find your idea of conducting this sort of interview more than necessary. You have the opportunity to capture the mentality of a generation, of a period, with its unpredictable events that in themselves generate a large number of essential questions.

[Tone] I mentioned Bibici and his book *Lumea de Miine* exactly in order to frame the end of our conversation. How do you perceive tomorrow's Romania?

[Barbu] I am not a good soothsayer, but Romania will be a respected country, especially if the Romanian people will first of all accept to work, will respect themselves, will respect their political opponents, will not shirk, so that we will have no more delinquents, will not meddle into our neighbor's business, and especially, will not allow others on our borders to attack our existence. We must be careful not to wake up with a civil war, because they are as contagious as scabies. When we will know how to accomplish this, when we learn that you, a serious and well-trained Romanian have been hired for a given job, not to become rich, but for the good of all other men, then will Romania become an enviable country.

[Tone] And what will be its position in Europe?

[Barbu] I am afraid of these mergers, of unions, of federalizations, because in this conglomeration of states, in this compacted Europe, the hardest workers, the most earnest, will succeed, and I regret to say that some of our ilk have great difficulties with these matters. They are malingerers; this is their first flaw, and the greatest. They

do not keep their word, they sneak around. If they can bury their neighbor to take his house because it's better, nicer, they'll do it. If you ask them to dig where you need a hole, they move three shovelfuls and they lie down under a tree. These are great flaws, and we will have to fight to rid our people of them. These people need a summary education, otherwise they will always be like a ringworm around this country's clean and honest men.

#### **"I Have Never Been Ashamed To Be Romanian"**

[Tone] When will we live in Greater Romania?

[Barbu] If we do not take advantage of the secession of the three Baltic countries away from Russia, and we do not press this point, we will not deserve our name. We cannot be that acquiescent. This is the time to act in greater unity and with greater confidence than ever in our strength, because we are victims of the same Molotov-Ribbentrop treaty. If we don't know enough to send to the United Nations some extraordinary lawyers, men with documents, figures, maps, if we don't know to fight for our rights, there will come a time when we will not be forgiven. At the United Nations, in every capital of every country in Europe, we must tirelessly ask for the rapid recognition of Moldova. The true union will then be possible very, very soon; in one or two years we will be together again. Because we are a nation that sometimes falls, sometimes stands up, but always leaps and reaches its goal. We are made of good fiber, with the exceptions that we know. We have had distinguished Romanians, we have distinguished Romanians, and we will always have distinguished Romanians. This nation will always produce capable, brilliant men, in science, in the arts, and in all specialties.

Let us wish ourselves good health, not quarrel anymore, love our country, and be tolerant of the weak-minded and the contentious. Let us show everyone that we are a bright, prosperous, intelligent nation, a nation which has produced the geniuses which I don't want to enumerate, because everyone knows them. Beginning with Eminescu and Titulescu, to Brincusi and Enescu, Romania will give birth to many geniuses, because we are being followed by an unprecedented generation. You will be amazed at the men which this nation will produce 50 years from now. I am happy to be Romanian, and I have never been ashamed to be Romanian.

And now I want to say something to those who govern us: Do something about the "gypsiness" and the Gypsies. Put them to work, get them into factories, educate them, bring teachers from somewhere, because this "gypsiness" is catching and spreading into the Romanian nature, which is not Gypsy. The Romanian essence is clear, honest, visionary. Many nations would choose to be like the Romanian people.

I say this without a desire to flatter the Romanian people. It is a capable, splendid nation that will produce great, great inventors, great writers, great engineers, and great personalities in all fields. But with this will happen

with one condition: if it is allowed its freedom and is not be occupied every 20 years, as it has been until now.

[Tone] And you, how will you be in the future?

[Barbu] I will be an old man. Like everyone else I will reach a certain age and will look back on what I have done, and I will once more regret what I did not do and could have done. I will see how I will grade myself on all my past. But I do believe I have done a few good things. I am not afraid of how posterity will judge me; it can only be a fair judgement.

#### **IAR-99 Hawk Fighter Rated, Specifications Given**

*92BA0179A Bucharest VIATA ARMATEI in Romanian Oct 91 pp 16-17*

[Article by Lt. Col. Constantin Struna: "The IAR-99 Hawk: A Modern, Multipurpose Aircraft"]

[Text] The IAR-99 Hawk training and combat plane is the first jet plane in Romania that was planned, designed, and built according to our own specifications. When they started to design it, the specialists in the Aviation Institute and in the National Center of the Aircraft Industry bore in mind the fact that we are building, in Romania and under a Rolls-Royce license, the RR-Viper turbojet engine, which can solve the most important problem. The equipment, instruments, and special installations with which the plane is equipped are made by the Romanian aircraft industry in keeping with the international standards for that category of aircraft. The plane has a single pressurized cabin with two pilot's positions placed in tandem, each position with flight control and navigation instruments, control and rescue equipment, and warning systems providing excellent flight safety in any weather conditions in both day and night.

The plane is in series production at the SC [headquarters] of the Craiova Avioane SA. The flight tests have confirmed its fine aerodynamic and technical-tactical characteristics, comparable with those of representative world-class planes in the same category such as the MB-339 C (Italy), the L-39 (Czechoslovakia), the CASA 101 (Spain), the SUPER GALEB (Yugoslavia), etc. The IAR-99 Hawk's first flight was on 21 December 1985, flown by Lt. Col. Stefan Vagner, a first class pilot. The zero series was approved in 1989. The first lot of Hawks was included in the Army's inventory in the spring of 1991.

#### **Technical-Tactical Characteristics**

##### **Dimensions**

Length: 11.009 m

Wingspan: 9.85 m

Height: 3.898 m

Span of horizontal tail assembly: 4.12 m

Angle of incidence: 1 degree

Dihedral angle: 3 degrees

#### Areas

Area of wings: 18.71 square meters

Horizontal tail assembly: 4.371 square meters

Vertical tail assembly: 2.548 square meters

#### Weight

Weight when vacant and equipped: 3,200 kg

Pay load: 1,450 kg

Maximum weight: 5,560 kg

Ceiling: 12,900 m

Maximum speed: 865 km per hour

Climbing speed: 35 m per second

Length of take-off run: 450 m

Length of landing run: 550 m

Range: 2 hours 40 minutes

Maximum flight distance: 1,100 km

Load coefficient: + 7 g; - 4 g

Armament: It is equipped with two hanger beams under each wing for bombs, directed rocket containers, releasable external tanks, and other materials: one 23-mm gun.

#### The IAR-99 Is Worthy of Its Name of "Hawk"

The IAR-99 Hawk marks the highly prestigious fulfillment of the traditions of about eight decades of Romanian aircraft construction, since the plane is one of the most modern achievements in the world in that category of aircraft. For that reason we have also recorded the opinion of some specialists.

Eng. Constantin Panaitescu, head of the Flight Research Center, says, "The Romanian aircraft industry has carried on a tradition through the IAR-99 Hawk by achieving, on a competitive level, what the IAR-80 represented in 1938-1939 (fourth place in the world). Foreign firms are increasingly interested in this multi-purpose plane for training schools and for combat. We were particularly popular at the international trade fairs at Farnborough (England, 1990) and Le Bourget (France, 1991), in which over 1,700 foreign firms throughout the world participated. In France, for example, the two IAR-99 planes that we presented flew 10 days without interruption, flown by foreign pilots interested in the Romanian plane's performances. But the units built so far are equipped with instruments from the East, a rather

serious handicap in view of the demands of the international market. Now that its superiority has been demonstrated in exacting tests, it would be a shame if we foundered with the IAR-99 at just this point. For an investment of \$500,000 per plane (purchase of instruments from the West and construction of an accompanying airport infrastructure) we can "crack" the international market and earn 10 times more. And so it is a simple equation, but impossible with the present budget. Among the performances obtained in testing, please remember that in the gun firings at targets on land the 200 hits made were within an area of 10 square meters, that the maximum suspended weight exceeds 1,000 kg, and that in the whole series of aerobatics the IAR-99 gained altitude by the end (from 500 m to 1,000 m), being the only one in Europe to do so. Because of its notable performances, our Hawk has been requested by many foreign firms, including Jaffe Aircraft in the United States."

Maj. Eng. Gheorghe Dinca, engineer in an air regiment, says, "The latest technologies used in building the IAR-99 Hawk (honeycomb and integrated structures, Dur-alumin alloys, etc.), its characteristics of resistance to maximum inertial and aerodynamic stresses, and its excellent behavior under vibrations lend it a long lifetime, which amounts to 3,000 hours of operational flight or 15-20 years of operation. Its maintenance is not demanding, provided that there are spare parts. We are now acutely confronted with a shortage of tires. The command is aware of the problem and is trying all kinds of solutions, but the lack of foreign exchange is a problem. We used to make better tires than Dunlop in Romania. Now I don't know what is happening. The technicians in our unit are elite professionals. Capt. Eng. Nelu Voinea, 1st Lt. Subeng Tudor Dasoveanu, 2d Lt. Eng. Victor Baragan, and military experts Ion Radu, Mihai Bralostiteanu, and Stefan Raduica hold many citations for innovations."

Maj. Ion Zevedeanu, pilot first class, says, "Piloting the Hawk requires knowledge and skill. But I can say that it is a plane that tolerates many mistakes and accordingly proves highly suitable for the training-school category, for forming the habits of combat pilots, and for improving flight instructors. The piloting equipment has no distinctive features, except perhaps its adjustment to deceleration by a foot pedal, and the fact that two pilots can be instructed at the same time on the IAR-99 is also a considerable advantage. Our public fully realized what the Romanian Hawk can do at the meeting arranged this year by Aviation Day, where I performed a wide range of aerobatics along with Maj. Victor Szikszai and Col. Romulus Bozesan. The effectiveness and diversity of the missions the IAR-99 can perform in a wide range of altitudes and speeds are enhanced by a set of systems and flight instruments of the new generation. The dozens of flight hours logged on the IAR-99 also enable me to make a few comments about the improvement of the elimination system for night flying and about the designs of some control systems. For the rest, the IAR-99 is quite worthy of its name of 'Hawk'!"

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